

BEYOND THE LIMITS

2023 SK GAS SUSTAINABILITY REPORT





About This Report

Cover Story

The vibrant image of children moving forward symbolizes hope and potential for tomorrow, reflecting SK Gas's commitment to achieving a sustainable future and harmonious growth.



Please scan the QR code.

Detailed information about SK Gas can be accessed on various mobile devices such as smartphones and tablet PCs.

Report Overview

Since 2020, SK Gas has published an annual sustainability report to communicate with various stakeholders. This report is SK Gas's fifth sustainability report, created to transparently disclose our efforts and key achievements in promoting sustainability and to engage with stakeholders.

Reporting Principles

This report follows the requirements of the Global Reporting Initiative (GRI) 2021, an international guideline for sustainability reporting. In addition, we adhere to the disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the standards of the Sustainability Accounting Standards Board (SASB) to reflect key issues relevant to our industry.

Reporting Period

This report covers key activities and achievements from January 1, 2023, to December 31, 2023. For quantitative performance, data from the past three years (2021-2023) is included to enable trend analysis. Significant information that may affect stakeholders includes activities prior to 2023 and the first half of 2024.

Reporting Scope

Economic data encompasses all consolidated entities, while environmental, social, and governance data includes the headquarters and all operational sites (Ulsan Terminal, Pyeongtaek Terminal, G.Hub, Central Branch, Western Branch, Eastern Branch, Jeju Branch). Any data with different reporting scopes is specifically noted.

Report Verification

To enhance the reliability and quality of the report, an independent verification by the Korea Management Registrar (KMR) was conducted. Verification opinions can be found on pages 119-120.

Additional Information

To increase accessibility for stakeholders, this report is also available on the SK Gas website (<http://www.skgas.co.kr>).

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
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This report is published as an interactive PDF, including features for navigating between report pages and accessing websites.

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CEO's Message

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Company
Introduction



CEO's Message

“

SK Gas will continuously innovate our business model and pursue sustainable management to become a “Net Zero Solution Provider.”

”



Dear stakeholders,

2023 has been a significant year for SK Gas, marked by innovation and growth. Despite the uncertain internal and external business environment, we have diligently prepared new ventures to transition our business portfolio to a “Net Zero Solution Provider.” Financially, we achieved excellent results once again, following the successes of 2021 and 2022.

In our existing LPG business, we responded to new transportation demand by successfully launching a 1-ton truck. The fuel conversion and trading businesses for industrial sectors also demonstrated stable performance. Our concerted efforts in the EPC phase of the Ulsan GPS and Korea Energy Terminal (KET) LNG terminal culminated in significant milestones. As a result, in April 2024, we will commence the trial operation of the world's first LNG-LPG Dual Fuel power plant, Ulsan GPS, laying the foundation for a transition to low-carbon energy. The Ulsan GPS plant, utilizing the latest turbine models, seeks both efficiency and eco-friendliness. By flexibly operating LNG and LPG gas fuels, it can secure additional competitiveness. This foundation will support our future business expansion into hydrogen and other zero-carbon energy sources.

To acquire essential capabilities for future eco-friendly businesses, we decided to enter the U.S. Energy Storage System (ESS) market in January 2024 as a new business. In January 2024, we established a joint venture, GridFlex Inc., with SK Eternix co., Ltd., and are collaborating with Apex Clean Energy to develop 200MW ESS facilities in Texas. Through this, we plan to expand from gas trading to power trading, from Korea to the United States, and into the renewable energy business, taking one step closer to our vision of becoming a “Net Zero Solution Provider.”

In the ESG domain, we successfully completed ESG Master Plan 1.0 (2021-2023) and are formulating ESG Master Plan 2.0 (2024-2026) to build global-level management systems in the environmental (E), social (S), and governance (G) sectors. Particularly, we conducted human rights impact assessments on stakeholders (headquarters/terminals/subsidiaries/partners), to identify and address key issues. The publication of our human rights management report

transparently outlines these issues and our response tasks. Additionally, to achieve carbon neutrality, we are promoting the long-term renewable energy power procurement through Power Purchase Agreements (PPAs) and continuously reviewing the feasibility of our greenhouse gas reduction plans and implementation measures to achieve Net Zero by 2030.

In 2023, our efforts were externally recognized, earning Morgan Stanley Capital International (MSCI) ESG Rating “AAA,” Korea Institute of Corporate Governance and Sustainability (KCGS) Integrated “A+,” and Carbon Disclosure Project (CDP) “Leadership A” ratings. We also received the “Energy & Utilities Sector Carbon Management Sector Honors” at the CDP Korea Awards.

2024 is an important period as we begin the second phase of our future growth strategy (SWAN 2.0) through the full-scale development and operation of new businesses. Internally, we aim to foster sustainable growth through the internalization of ESG management, and to take it to the next level as a “Net Zero Solution Provider” that we have ultimately dreamed of through the implementation of the Lower Carbon business based on the stable commercial operation of Ulsan GPS.

This year marks the 5th anniversary of SK Gas's sustainability report. We remain committed to not only maintaining our leadership in the LPG sector but also transitioning into LNG and hydrogen businesses, paving the way for a clean energy future. By taking systematic, incremental steps, we believe meaningful change is achievable. We appreciate your continued interest and support.

Byung Suk Yoon, CEO of SK Gas

Company Introduction

Company Overview



As the No.1 LPG player in Korea, SK Gas has fulfilled a central role and responsibility in the domestic energy industry while growing alongside stakeholders. We now aim to surpass the limits of the domestic market and LPG products, realizing our vision of becoming a “Net Zero Solution Provider” in the global market and leading the eco-friendly energy sector.

(As of December 31, 2023)

Company Name	SK Gas Co., Ltd.
Industry	Wholesale of gaseous fuels and related products
Headquarters	332, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
Establishment Date	December 20, 1985
Employees	653
Sales Revenue	KRW 6,992.3 billion
Net Profit	KRW 316.3 billion
Total Assets	KRW 6,081.8 billion

Business Division

Global LPG Trading

We conduct LPG imports tailored to various domestic customer needs and overseas trading, ensuring stable LPG supply within Korea and leading the global LPG trading market through accumulated trading techniques and differentiated strategies. Additionally, we are diversifying profits through intermediary trade, optimal shipping transactions, and futures trading.

LPG Storage

We possess large-scale LPG storage facilities with a total capacity of 480,000 tons in Ulsan and Pyeongtaek. The Ulsan Terminal is the hub of Korea’s LPG industry, supplying LPG nationwide, while the Pyeongtaek Terminal ensures smooth LPG supply to the metropolitan and central regions.

Gas Chemicals

SK Gas supplies imported LPG as the main raw material for SK Advanced, which operates a PDH (Propane De-Hydrogenation)* business. This has established a gas chemical value chain linking LPG (SK Gas), PDH (SK Advanced), and PP (Polypropylene)** (Ulsan PP). SK Advanced has secured global No.1 PDH operational capabilities.

LPG Marketing

Based on LPG terminals and over 470 refueling stations nationwide, we supply LPG to residential, commercial, transportation, and industrial customers, holding a 38.4% market share in 2023, making us the domestic leader. To address environmental pollution issues, we actively promote the transition to LPG 1-ton trucks and offer various benefits through customized memberships such as the “SK LPG Membership.” Additionally, we operate the “wego” platform to ensure the safety management and transportation efficiency of LPG.

LNG Terminal

In partnership with Korea National Oil Corporation, we established Korea Energy Terminal (KET) Co., Ltd., and are constructing an LNG terminal at Ulsan Port, which is scheduled for commercial operation in the second half of 2024. Additionally, we are building extra LNG tanks in the adjacent Clean Energy Complex (CEC) at the port’s hinterland. KET/CEC plans to expand its annual storage capacity to 7.2 million tons, making it the largest private LNG terminal operator in Northeast Asia upon completion.

LNG-LPG Dual Fuel Power Plant

We have constructed Ulsan GPS, the world’s first LNG-LPG Dual Fuel gas combined cycle power plant, which will commence commercial operation in 2024. The plant has a total capacity of 1,227 MW, comprising two gas turbines and one steam turbine, and has a great strength that we can choose the most competitive fuel between LNG and LPG based on global market conditions. Recognized for efficient energy use, we issued green bonds with the highest ESG rating of G1 for the first time in a gas power plant in 2022.

Hydrogen, Ammonia, and Renewables

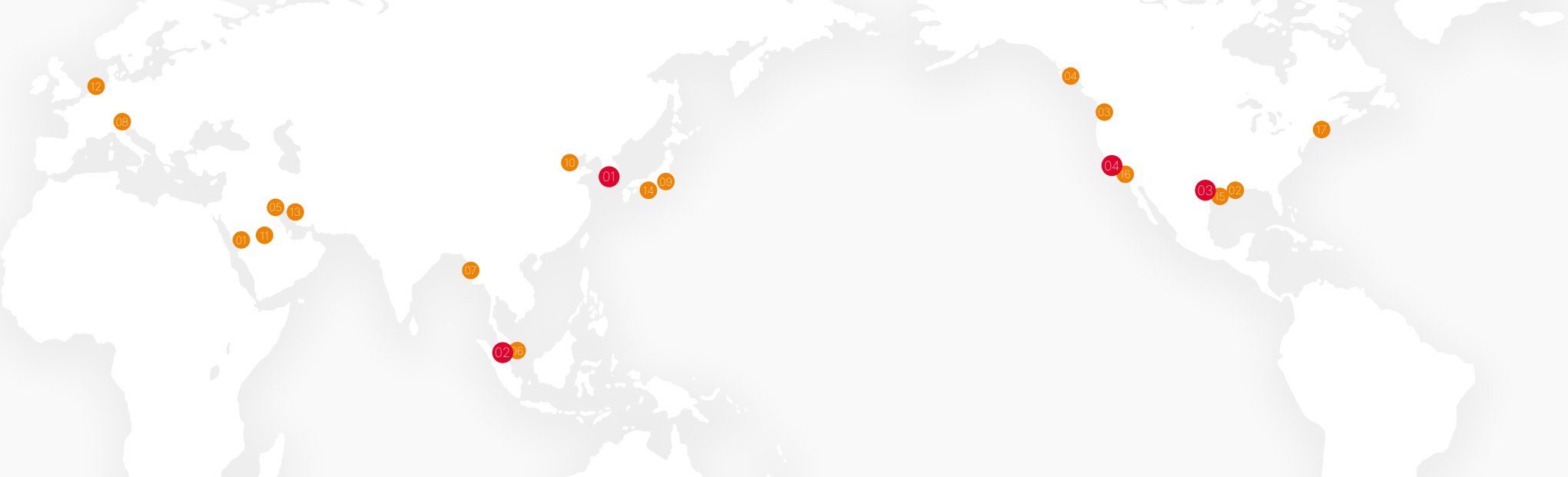
We are developing a hydrogen/ammonia business model utilizing the LNG/LPG infrastructure at the Ulsan Industrial Complex and our nationwide distribution network. We plan to secure competitiveness through fuel cell power generation projects using byproduct hydrogen and co-firing hydrogen/ammonia power generation projects. Furthermore, we are working with global energy companies to import clean hydrogen and ammonia into Korea and have signed an investment contract with renewable energy company Apex Clean Energy for ESS projects, constructing a 200MW ESS facility in Texas, USA.

* PDH: Propane De-Hydrogenation, a facility that produces propylene from imported LPG

** PP: Polypropylene, a thermoplastic resin made by polymerizing propylene

Company Introduction

Global Network



Domestic Network	
01 South Korea	Headquarters (ECO Hub)
	Ulsan Terminal
	Pyeongtaek Terminal
	G.Hub (Tank Terminal)
	Central Branch
	Eastern Branch
	Western Branch
	Jeju Branch

Overseas Network	
02 Singapore	Singapore Subsidiary
03 U.S.	U.S. Subsidiary / GridFlex Inc.
04 U.S.	U.S. Global Innovation Center

Overseas Partners		
Oil-Producing Countries	LPG Trading	Petrochemical Business
	01 Saudi Arabia: Aramco	11 Saudi Arabia: AGIC
	02 United States: Enterprise / 04 Petrogas	12 Netherlands: LyondellBasell
	04 Canada: Pembina	13 Kuwait: PIC
Trading Companies	05 Kuwait: KPC	LNG
	06 Singapore: Trafigura	14 Japan: Mitsui / Osaka Gas / Kyushu Electric Power
	07 Thailand: PTT	15 United States: Energy Transfer LNG Export, LLC
	08 Switzerland: Glencore / Vitol	Hydrogen
	09 Japan: Astomos	16 United States: C-Zero
	10 China: Wanhua Chemical	ESS
		17 United States: Apex Clean Energy



Company Introduction

History

1985 → 1999



- Dec. 1985** Founded SK Gas and commenced construction of Ulsan Terminal
- Jan. 1988** Began LPG business
- Apr. 1991** Started supplying LPG for petrochemical use
- Aug. 1993** Established Middle East branch (Saudi Arabia) (moved to Dubai in August 2008)
- Aug. 1997** Initial public offering (IPO)
- Oct. 1999** Completed Pyeongtaek Terminal

2000 → 2008



- Dec. 2000** Received Presidential Citation in the Group Category at the 7th Gas Safety Promotion Conference
- Mar. 2001** Awarded the Safety Category Grand Prize at the Korea Gas Safety Awards
- Jul. 2002** Awarded the Bronze Tower Order of Industrial Service Merit at the 9th Gas Safety Promotion Conference
- Sep. 2003** Founded the Korea LPG Industry Environmental Association (Members: SK Gas, E1)
- Jul. 2004** Launched SK Gas Volunteer Group
- Mar. 2007** Founded a joint venture with China Gas Holdings and acquired shares
- Jun. 2007** Expanded butane refrigerating tank at Pyeongtaek Terminal
- Aug. 2007** Established SK Gas International, a local subsidiary in Singapore
- Feb. 2008** Opened Houston branch in the United States

2010 → 2019



- Feb. 2012** Signed agreement to contribute KRW 10 billion to the LPG Hope Recharging Fund for low-income households
- Oct. 2012** Held groundbreaking ceremony for SK Gas Pangyo office building
- Jan. 2013** Announced entry into the propane dehydrogenation (PDH) business
- Apr. 2013** Launched G.Hub Co., Ltd., a tank terminal service provider
- Mar. 2014** Signed second agreement to contribute KRW 5 billion to the LPG Hope Recharging Fund for low-income households
- Sep. 2014** Established SK Advanced
- Oct. 2014** Acquired Dongboo Dangjin Thermal Power Plant (renamed to Dangjin Eco Power)
- May 2016** Completed SK Advanced Ulsan PDH plant
- Jan. 2018** Obtained approval for changes to the electricity generation business license and business structure of Dangjin Eco Power Co., Ltd.
- Nov. 2018** SK Advanced established a joint venture for Ulsan PP
- Jan. 2019** Completed approval for changes to the electricity generation business of Dangjin Eco Power Co., Ltd.
- Nov. 2019** Acquired shares and decided to participate in the business of Korea Energy Terminal Co., Ltd.

2020 →



- Mar. 2020** Established the Sustainability Management Committee and enacted the Corporate Governance Charter
- Apr. 2020** Obtained ISO 37001 (Anti-bribery management systems) certification
- Jun. 2020** Published the first sustainability report
- Jul. 2020** Began construction of the Ulsan LNG terminal, Korea Energy Terminal Co., Ltd.
- Aug. 2020** Signed an MOU with the National Institute of Ecology for ecosystem conservation
- Nov. 2020** Obtained ISO 14001 (Environmental management systems) certification
- Dec. 2020** Launched the propane-specific platform "wego"
- May 2021** Signed an MOU with Lotte Chemical to establish a by-product hydrogen JV
- Jun. 2021** Established ESG Committee and HR Committee
- Dec. 2021** Launched the "wego Safety" propane safety management platform and "wego ERP" propane management service
- Sep. 2022** Signed an investment contract with "C-Zero" for the production of eco-friendly turquoise hydrogen
- Dec. 2022** Announced "ESG Master Plan 1.0"
- Sep. 2022** Established Lotte SK Eneroot, a hydrogen business joint venture
- Dec. 2022** Selected as an Excellent Governance Company by the Korea ESG Standards Institute
- Feb. 2023** Awarded the Carbon Management Sector Honors in CDP Climate Change Response Evaluation
- Apr. 2023** Signed an MOU with Namyang Dairy Products for the initial conversion to LPG 1-ton trucks
- Apr. 2023** Recognized by the National Institute of Ecology for supporting endangered species conservation
- Aug. 2023** Signed an MOU for LNG bunkering business
- Nov. 2023** Lotte SK Eneroot was selected as a hydrogen fuel cell power generation business operator in the first half of the year
- Nov. 2023** Obtained MSCI ESG Rating AAA rating and KCGS Integrated A+ rating in the ESG comprehensive evaluation
- Dec. 2023** Launched the "SK LPG Membership" for LPG 1-ton trucks
- Jan. 2024** Entered the U.S. ESS business



SUSTAINABLE BUSINESS



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Net Zero Solution
Provider

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Lower Carbon
Solution

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Zero Carbon
Solution

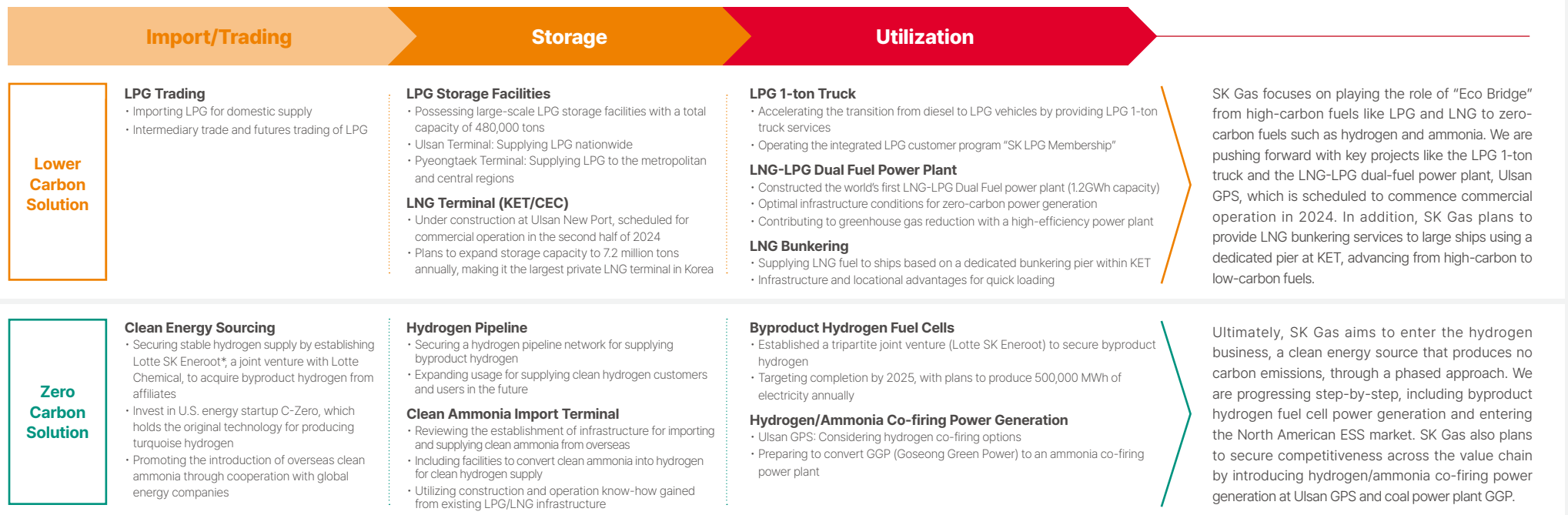
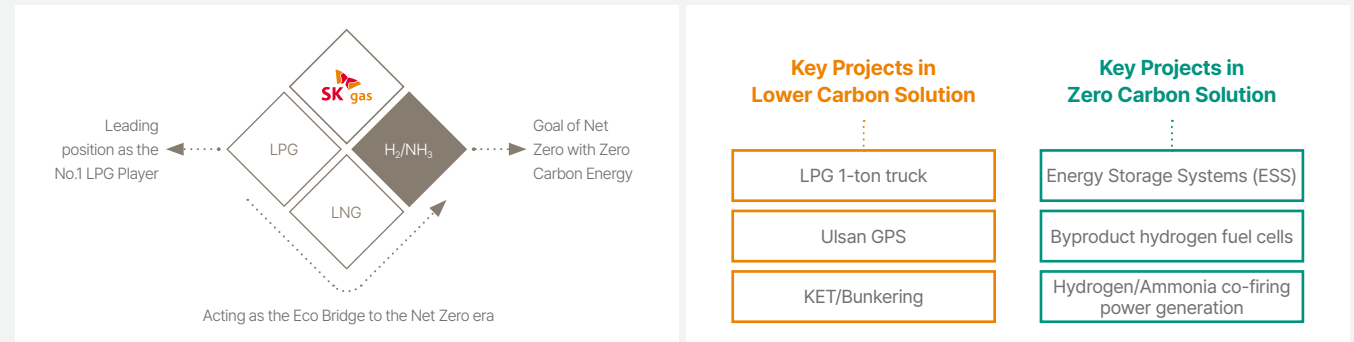


Net Zero Solution Provider

SK Gas is transitioning its business portfolio to become a “Net Zero Solution Provider,” aiming to respond to the climate crisis and transcend the limits of the domestic LPG market by positioning itself as a leader in the global eco-friendly energy sector. The core strategies for achieving the “Net Zero Solution Provider” are expanding business areas from high-carbon to low-carbon energy with LNG through the “Lower Carbon Solution,” and transforming the portfolio to zero-carbon energy with hydrogen and ammonia through the “Zero Carbon Solution.”

Net Zero Solution Provider Value Chain

Transition to “Net Zero Solution Provider” Business Portfolio



* Lotte SK Eneroot: A tripartite joint venture between SK Gas, LOTTE Chemical, and Air Liquide Korea



Lower Carbon Solution

LPG 1-TON TRUCK

The 1-ton truck, widely used by small business owners and self-employed individuals, is a popular vehicle in the domestic market with approximately 150,000 units sold annually and around 2.3 million units currently in operation. In the past, 99% of these trucks were diesel models. However, due to increasing societal concern about air pollution and stricter environmental regulations, the production of diesel models has ceased, and new LPG 1-ton trucks with advanced engines have been released. SK Gas is expanding the market for eco-friendly LPG 1-ton trucks by offering various services to swiftly replace existing diesel vehicles, thus contributing to environmental protection.

Advantages of LPG 1-ton Trucks

Reducing fine dust and nitrogen oxide emissions compared to diesel*

Lower fuel costs compared to diesel

Higher refueling convenience compared to electric trucks



Kia
Bongo 3 LPG



Hyundai
Porter 2 LPG

* Meets North America's stringent SULEV 30 emission standards

Build a Sustainable LPG Vehicle Ecosystem

SK Gas collaborates with major demand customers and users that currently use diesel and electric vehicles to support their transition to LPG vehicles, while large-scale demand.

In April 2023, we signed an MOU with Namyang Dairy Products to facilitate the early conversion of diesel 1-ton trucks used at their headquarters and dealerships to LPG 1-ton trucks. We plan to gradually convert approximately 2,300 1-ton trucks. Therefore, we support Namyang Dairy Products with various sales promotions, including LPG refueling discounts for the smooth transition to LPG.

Furthermore, in October 2023, we signed a business agreement with the courier industry to jointly build an eco-friendly LPG 1-ton truck logistics ecosystem. This collaboration aims to establish eco-friendly logistics infrastructure, promote shared growth with the courier industry, and contribute to air quality improvement through the transition to eco-friendly LPG 1-ton trucks.



SK Gas and Namyang Dairy Products business agreement signing



SK Gas and courier industry business agreement signing

Becoming a Leading Player through Shared Growth

SK Gas operates the "SK LPG Membership," an integrated LPG customer program involving approximately 800 LPG autogas stations that do business with us and SK Energy. Through partnerships with various companies, we provide differentiated services to our customers. As of 2023, we have attracted 670,000 cumulative members, offering benefits such as increasing loyalty rewards, providing fuel coupons for targeted customers, and point-based goods exchanges, all designed to provide customer-oriented services. We have also launched credit cards and welfare cards for vehicle purchases that offer discounts when visiting SK Gas LPG autogas stations.

SK Gas develops diverse services and benefits to meet the needs of 1-ton truck customers. By doing so, we aim to contribute to the eco-friendly transition of domestic transportation fuels. Also, we support small business owners to achieve environmentally and socially sustainable development.



Launch of "SK LPG Membership"

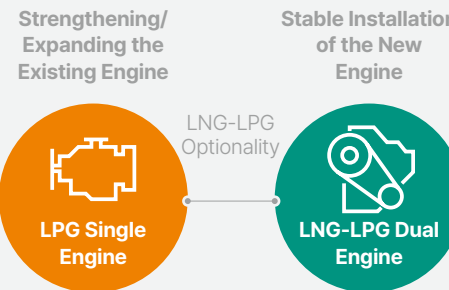


Lower Carbon Solution

ULSAN GPS

SK Gas is not content with staying within the confines of the LPG business and is making concrete preparations and efforts to transition its business portfolio to include LNG and hydrogen. We are constructing the world's first LNG-LPG Dual Fuel power plant, Ulsan GPS, which is scheduled to commence commercial operations in 2024.

This year will be crucial as we focus on strengthening our existing LPG business while stabilizing our new LNG business, marking the beginning of our transition from an LPG Single Engine to an LNG-LPG Dual Engine. By 2025, SK Gas aims to achieve the successful construction and operation of Ulsan GPS. Following this milestone, we plan to prepare for the transition to low-carbon power plants by incorporating clean hydrogen co-firing by 2030, and ultimately, complete the transition to zero-carbon power plants by 2050.



Key Infrastructure for Realizing Net Zero Solution Provider

Ulsan GPS is located in the Mipo National Industrial Complex in Ulsan Metropolitan City, featuring two gas turbines and one steam turbine with a total capacity of 1,227MW. The ability to switch between LPG and LNG ensures energy supply stability and profitability, and its high power generation efficiency has earned it the G1* certification, a first for a gas power plant.

Leveraging core infrastructures like Ulsan GPS, KET, and CEC, SK Gas will drive its hydrogen business and realize the transition to a Net Zero Solution Provider.

Roadmap to Ulsan GPS Net Zero Utility Solution



Strengths and Direction of Ulsan GPS Project

- World's First LNG-LPG Dual Fuel Power Plant**
 - Can switch to LPG in case of LNG supply instability or price hikes
 - Secures fuel competitiveness and contributes to national energy security
- Contribution to Greenhouse Gas Reduction with State-of-the-Art High-Efficiency Power Plant**
 - Reduces greenhouse gas emissions through efficient energy use
 - First domestic power plant to obtain G1 certification
- Optimal Infrastructure for Zero-Carbon Power Generation**
 - Stable LPG supply from Ulsan Terminal and LNG from KET/CEC
 - Can be utilized as optimal infrastructure upon future hydrogen introduction

* G1: The highest grade in green finance from the ESG evaluation by Korea Institute of Corporate Governance and Sustainability (KCGS), obtained by Ulsan GPS in 2022



Lower Carbon Solution

KET (Korea Energy Terminal)

SK Gas is preparing to commercialize each stage of the LNG value chain, from import and transportation to storage and supply. To enhance the profitability of Ulsan GPS and ensure a stable fuel supply, we plan to operate the LNG terminal KET.

LNG Terminal KET Business Status

Together with Korea National Oil Corporation, SK Gas is constructing the KET, a complex energy terminal in Ulsan North Port. The terminal will operate four LNG tanks with a storage capacity of 4.8 million tons annually. In April 2024, a ship carrying about 65,000 tons of LNG docked at KET, successfully completing the trial operation from unloading to pre-import facility protection work.

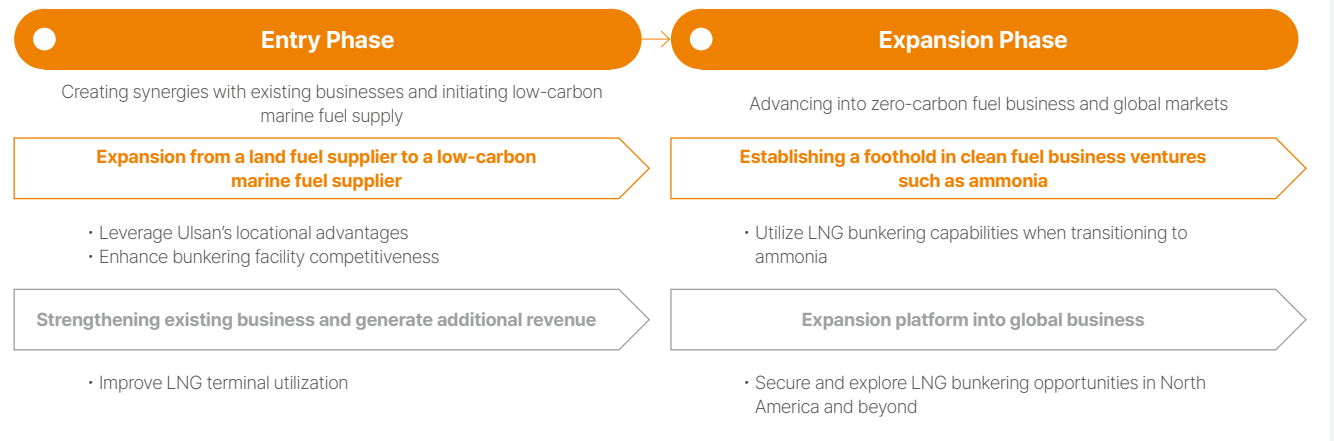
KET/CEC overview



Two LNG tanks are scheduled to commence commercial operations in 2024, and one more in 2026. Once the additional CEC (Clean Energy Complex) terminal is operational, the total number of LNG tanks will be six, with a combined annual storage capacity of 7.2 million tons, making it the largest private LNG terminal in Korea.

Through our entry into the LNG terminal business, SK Gas aims to actively collaborate with global LNG upstream players and domestic LNG operators, thereby securing potential for business expansion in both production and consumption areas.

LNG Bunkering Business Roadmap



LNG Bunkering

With the International Maritime Organization (IMO) tightening greenhouse gas emission regulations, the demand for LNG-powered vessels is increasing. In response, SK Gas is promoting the LNG bunkering business, which involves supplying LNG as ship fuel to LNG-powered vessels. Ulsan is an optimal location for LNG bunkering due to its significant internal demand for bunkering and proximity to Busan Port, facilitating LNG fuel supply to docking ships. We are constructing the largest and first dedicated LNG bunkering pier in Korea within KET, capable of docking 10,000-ton ships to load LNG.

SK Gas has signed an MOU with H-Line Shipping and Ulsan Port Authority to advance the LNG bunkering business, establishing a comprehensive cooperation system covering the entire cycle from LNG import to the operation of dedicated bunkering vessels. We aim to secure a strong position in the Northeast Asian marine fuel supply market.



Zero Carbon Solution

ESS(Energy Storage System)

Battery-based Energy Storage Systems (ESS) are considered the optimal solution to complement the highly volatile renewable energy industry. SK Gas has identified the growth potential and profitability of the ESS business in Texas, one of the largest power markets in the United States. Consequently, we have developed and are executing a roadmap for the U.S. ESS business. Through our ESS initiatives, SK Gas aims to stabilize global power supply and demand, expand renewable energy, and achieve our vision as a “Net Zero Solution Provider.”

U.S. ESS Business Roadmap



Phase 1: Establishing ESS Facilities in Texas (~2027)

- Establish a joint venture, SA Grid Solutions, with local partner Apex Clean Energy
- Expand ESS capacity within Texas



Phase 2: Regional Expansion within the U.S. (~2032)

- Expand to areas outside of Texas



Phase 3: Linkage with Green Hydrogen Production (Mid-2030s~)

- Produce green hydrogen in conjunction with wind and solar energy

Establishment of Joint Venture SA Grid Solutions

In January 2024, GridFlex, SK Gas's U.S. subsidiary, established a joint venture, SA Grid Solutions, with renewable energy company Apex Clean Energy and signed an investment contract for the ESS business. We are constructing ESS facilities in Texas, targeting commercial operations of 100MW in the second half of 2024 and another 100MW in 2026, with plans to secure 600MW of ESS capacity by 2027.

Regional & Product Expansion

Following the successful entry into the Texas ESS market, we plan to expand to other regions in the U.S. to secure up to 1GW of ESS capacity. Additionally, we aim to explore opportunities in wind and solar businesses, expanding our offerings, and maximizing profits by leveraging the power trading capabilities developed through our operations.

Integration of Green Hydrogen Production

In the mid- to long-term, SK Gas plans to integrate ESS with renewable energy sources such as wind and solar to produce green hydrogen. This strategy aims to contribute to the development of a hydrogen industry ecosystem and achieve business diversification.





Zero Carbon Solution

Byproduct Hydrogen Fuel Cells

Hydrogen fuel cells are a prime example of eco-friendly power generation, producing electricity through the chemical reaction of hydrogen and oxygen without combustion. SK Gas, in collaboration with Lotte Chemical, established a joint venture named Lotte SK Eneroot to advance a byproduct hydrogen fuel cell power generation project within the Ulsan Industrial Complex. The project aims to commence commercial operations in June 2025, with a 19.8MW power plant expected to generate 165,000MWh of electricity annually, enough to power 45,000 households.

Contribution to building the Clean Hydrogen Ecosystem

SK Gas plans to progressively expand the infrastructure for clean hydrogen supply and demand, thereby establishing a clean hydrogen ecosystem. We will expand distributed generation that utilizes clean hydrogen, leveraging the byproduct hydrogen fuel cell power plant, and continuously develop hydrogen supply infrastructure within Ulsan to increase demand. Following this, we plan to establish clean hydrogen supply facilities and commence full-scale supply to customers and users within Ulsan.

Ulsan's Rise as a Leading Hydrogen City

Phase 1: Byproduct Hydrogen Power Generation Project

- Establish Lotte SK Eneroot and build the power plant
- Develop a hydrogen pipeline network for byproduct hydrogen supply
- Create substantial hydrogen demand by utilizing byproduct hydrogen

Phase 2: Expansion into Clean Hydrogen Business

- Promoting the transition of fuel cells fuel to clean hydrogen
- Continue expanding hydrogen supply infrastructure within Ulsan
- Supply clean hydrogen to Ulsan power plants and industrial sites using the hydrogen pipeline network

Phase 3: Expansion of Domestic Hydrogen Business

- Pursue hydrogen power generation projects in regions outside Ulsan, such as Daesan and Yeosu

Ulsan's Rise as a Leading Hydrogen City

SK Gas aims to contribute to making Ulsan, the location of the byproduct hydrogen fuel cell power plant, a leading hydrogen ecosystem and a globally recognized hydrogen city. We will attract investment from various hydrogen industry-related companies and build a clean city image to achieve this goal. Additionally, the construction and operation of the hydrogen power plant will create local employment opportunities and contribute to the economic revitalization of the Ulsan region.

Hydrogen/Ammonia Co-firing Power Generation

Co-firing technology involves blending hydrogen (with LNG) or ammonia (with coal) in existing LNG or coal power plants to generate electricity. SK Gas is considering hydrogen co-firing options for its LNG-LPG Dual Fuel power plant, GPS, while Goseong Green Power (GGP) is preparing to transition to an ammonia co-firing power plant. Leveraging our operational expertise in existing LPG and LNG infrastructure, we expect to operate ammonia storage and power generation stably. However, given the challenges of producing clean hydrogen domestically, we are exploring collaborations with global energy companies to import clean hydrogen sources like ammonia.



Byproduct hydrogen fuel cell power plant (Ulsan Hydrogen Power 2)



APPROACH TO SUSTAINABILITY



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ESG Master Plan

To ensure the sustainability of the environment, society, and business, SK Gas established the ESG Master Plan 1.0 (2021-2023) in 2021. In 2023, we enhanced this plan with ESG Master Plan 2.0, outlining key initiatives for 2024-2026. This sustainability report details the progress of ESG Master Plan 1.0 across the E, S, and G areas and introduces the main goals of ESG Master Plan 2.0, which will guide our effective ESG management activities.

Key Tasks of ESG Master Plan 2.0

<div></div> <div>For the planet</div>	<div><div>01</div><div>GHG Emissions</div></div> <div><ul style="list-style-type: none">• Scope 1, 2 Net Zero('30)• RE: 60('25) → 100('30)• Contribute to reducing greenhouse gas emissions through the supply of lower/zero carbon products/services• Develop Scope 3 reduction strategies</div>	<div><div>02</div><div>Air Quality</div></div> <div><ul style="list-style-type: none">• Reduce air pollutant emissions at business sites• Expand the distribution of clean energy products/services to reduce air pollutant emissions</div>	<div><div>03</div><div>Water & Waste</div></div> <div><ul style="list-style-type: none">• Reduce water usage per unit and increase recycling rates• Maintain "Gold/Platinum" level for Zero Waste to Landfill (ZWTL)</div>	<div><div>04</div><div>Ecology & Biodiversity</div></div> <div><ul style="list-style-type: none">• Prevent and restore marine and land pollution• Protect biodiversity• Preserve and restore habitats</div>
<div></div> <div>With Stakeholders</div>	<div><div>01</div><div>Health & Safety</div></div> <div><ul style="list-style-type: none">• Ensure the safety of employees• Ensure the safety of partner companies• Ensure community safety</div>	<div><div>02</div><div>Human Values</div></div> <div><ul style="list-style-type: none">• Establish and implement human rights management policies• Foster talent development• Promote work-life balance• Enhance diversity, equity, and inclusion (DE&I) among employees• Advance employees' awareness and practice of ESG</div>	<div><div>03</div><div>Responsible Business</div></div> <div><ul style="list-style-type: none">• Strengthen supply chain management• Enhance information security• Strengthen product liability and services</div>	<div><div>04</div><div>Community Engagement</div></div> <div><ul style="list-style-type: none">• Expand eco-friendly initiatives in local communities (Green)• Promote health and happiness in local communities (Health)• Improve the quality of life for vulnerable groups (Hope)</div>
<div></div> <div>Through Transparency</div>	<div><div>01</div><div>Board Leadership</div></div> <div><ul style="list-style-type: none">• Strengthen the expertise and diversity of the board• Enhance board independence• Implement ESG-based executive evaluation and compensation systems</div>	<div><div>02</div><div>Compliance & Ethics</div></div> <div><ul style="list-style-type: none">• Enhance anti-corruption and audit practices• Strengthen compliance practices• Establish a fair trade implementation system</div>	<div><div>03</div><div>Business Portfolio Management</div></div> <div><ul style="list-style-type: none">• Invest in new businesses based on ESG criteria• Establish and execute integrated risk management systems• Manage investments in subsidiaries and affiliates</div>	<div><div>04</div><div>Sustainability Community</div></div> <div><ul style="list-style-type: none">• Enhance shareholder value• Strengthen ESG disclosure• Expand ESG global partnerships</div>

Key ESG Indicators

SK Gas selects and manages ESG key indicators based on global ESG guidelines. We assign responsible organizations for each indicator, set goals to achieve the highest global standards among similar companies, and implement improvement measures. The results are disclosed annually.

Category		Unit	2021-2023 Performance				2024-2026 Goals			
			2021	2022*	2023	2023 Goal	2024 Goal	2025 Goal	2026 Goal	Global Top Peer
Environmental (E)	Total Energy Consumption (Intensity)	GJ/KRW billion	104.44	84.75	99.31	97.54	97.54	97.54	95.00	887.41
	Renewable Energy Usage Ratio	%	10.05	23.76	37.59	24.00	24.00	24.00	25.00	Exceeding 23.54
	Total GHG Emissions (Scope 1, 2 Intensity)	tCO ₂ eq/KRW billion	5.46	4.01	4.40	5.05	5.05	5.05	5.00	324.18
	NOx Emissions (Intensity)	ton/KRW billion	0.0027	0.0022	0.0025	0.0030	0.0030	0.0030	0.0020	0.401
	SOx Emissions (Intensity)	ton/KRW billion	0.00001	0.00001	0.00001	0	0	0	0	0.144
	Dust Emissions (Intensity)	ton/KRW billion	0.0001	0.0001	0.0001	0	0	0	0	0.017
	VOCs Emissions (Intensity)	ton/KRW billion	0	0	0	0	0	0	0	0.189
	Total Waste Generation (Intensity)	ton/KRW billion	0.12	0.12	0.08	0.15	0.15	0.15	0.15	14.78
	Waste Recycling Rate	%	97.7	98.8	98.2	98.02	100	100	100	76.64
	Total Water Withdrawal (Intensity)	ton/KRW billion	4.79	3.62	4.84	4.55	4.55	4.55	4.55	996.82
	Total Water Recycling Rate	%	7.1	8.5	9.4	8.5	10.0	11.0	13.0	81.03
Social (S)	Ratio of Employees with Disabilities	%	4.0	3.6	3.8	>3.50	>3.50	>3.50	4.0	3.00**
	Lost-Time Injury Rate (LTIR)***	cases/200,000 hours worked	0.00	0.00	0.00	0.00	0.10	0.10	0.10	0.08
Governance (G)	Ratio of Female Directors	%	14	14	14	14	14	14	14	30
	Social Value Creation through Products/Services	KRW 100 million	169	163	158	179	192	224	257	-

* Due to an error in revenue calculation in the previous year's report, the 2022 unit data has been corrected.
** The number of employees with disabilities was calculated based on the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities, a domestic legal standard.
*** LTIR (Lost-Time Injury Rate): Number of lost-time injury incidents × 200,000 hours / Total working hours



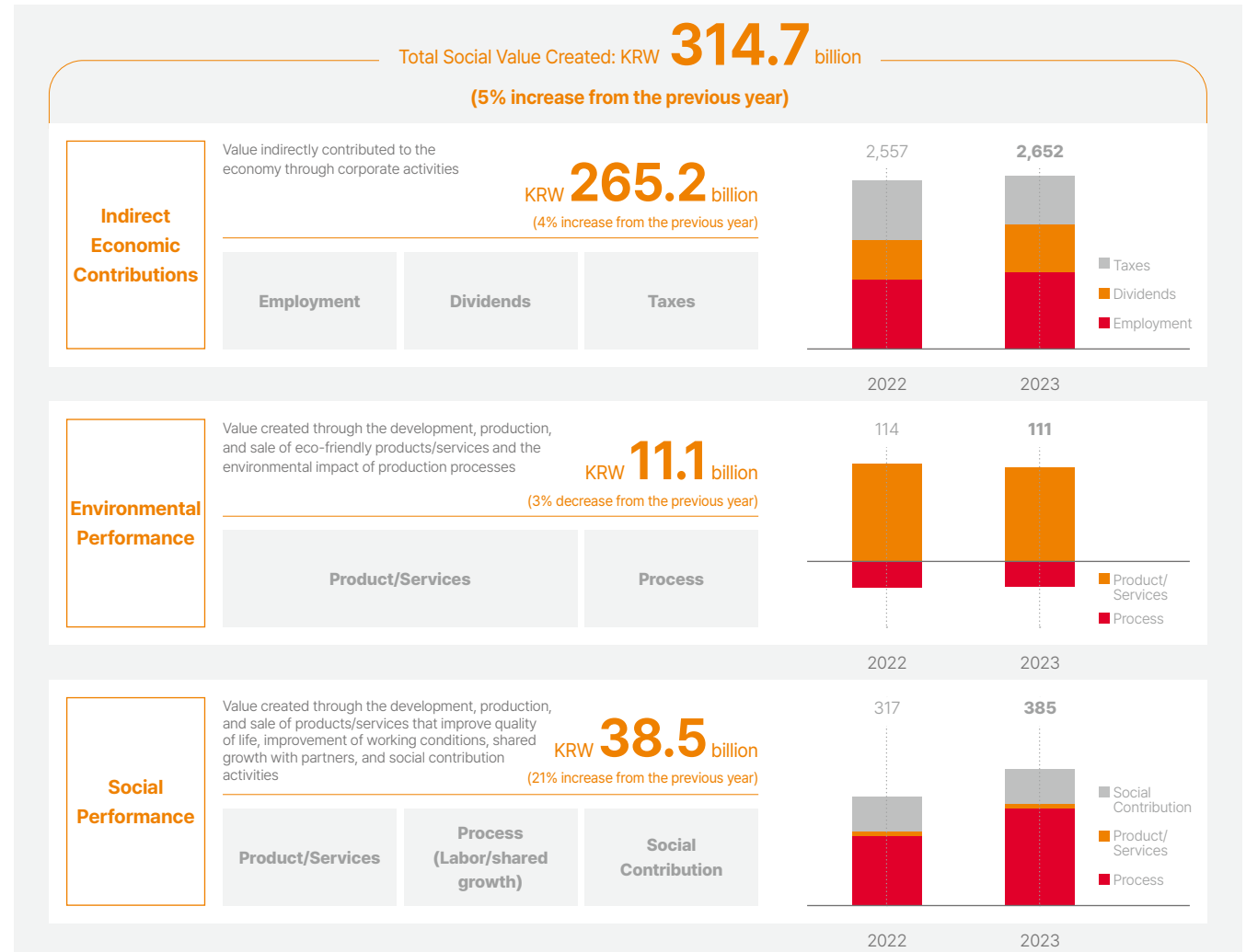
Social Value (SV) Creation

In 2023, SK Gas generated a total of KRW 314.7 billion in social value through its business activities, including KRW 265.2 billion in indirect economic contributions, KRW 11.1 billion in environmental performance, and KRW 38.5 billion in social performance. This represents a 5% increase compared to the previous year's KRW 298.8 billion, marking the highest performance since the measurement of social value began. The stable social structure of the LPG business contributed to an increase of KRW 9.5 billion in indirect economic contributions compared to the previous year. By maintaining a shareholder-friendly dividend policy, the dividend per share increased from KRW 6,500 to KRW 8,000, resulting in a total dividend increase of 23%. Furthermore, the preparation for eco-friendly new businesses such as LNG and hydrogen led to a 14% increase in employment performance, reaching KRW 114.2 billion.

Despite the LPG business's relatively low environmental impact and its eco-friendliness compared to competing fuels, we continue to improve our import terminal facilities and reduce greenhouse gas emissions, thereby enhancing our environmental performance. Although the environmental performance slightly decreased due to a reduction in the number of LPG vehicles, the discontinuation of diesel truck production in November is expected to increase the spread of LPG trucks, which emit fewer air pollutants (SOx, NOx, PM) compared to other fuels, thus improving air quality.

The social performance increased by KRW 6.8 billion to KRW 38.5 billion compared to the previous year. This improvement is attributed to our efforts to shorten payment periods to partner companies, expand low-interest loans and safety support, and continuously improve the working environment for employees in support of human rights management. Moving forward, SK Gas will continue to operate its LPG-based business as an eco-friendly bridge fuel while also creating new environmental and social value through its new business portfolio, including LNG and hydrogen, to achieve the vision of becoming a "Net Zero Solution Provider."

Social Value Measurement System and Performance



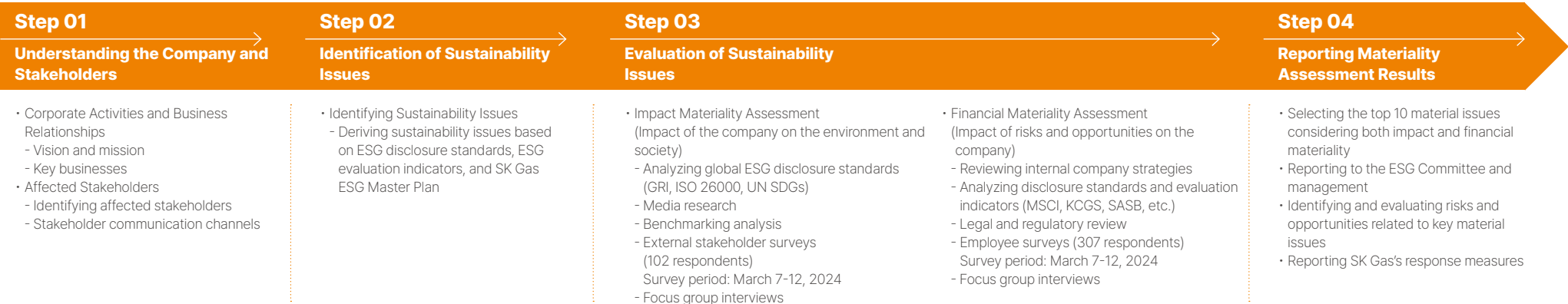
Materiality Assessment

Double Materiality Assessment Process

SK Gas conducts materiality assessments* by applying the concept of double materiality, which considers the financial impacts on the company from an internal perspective and the impacts the company has on the environment and society from an external perspective. To ensure the reliability of these assessments, we conducted focus group interviews with both internal members and external stakeholders, including analysts and ESG experts.

* The assessment methodology was developed with reference to GRI (Global Reporting Initiative) 3: Material Topics 2021 and [Draft] EFRAG IG 1: Materiality assessment implementation guidance.

Materiality Assessment Process



Understanding the Company and Stakeholders

SK Gas primarily engages in the import, storage, and sale of LPG, supplying LPG products reliably to various domestic customers and users such as LPG refueling stations and industrial companies. In addition to the LPG business, SK Gas is expanding its portfolio to include LNG and hydrogen businesses. Our key stakeholders include customers, shareholders, employees, local communities, and partner companies. We gather their opinions through various communication channels.

Identification of Sustainability Issues

Based on global ESG disclosure standards such as ESRS, GRI Standards, external evaluation indicators like MSCI, and the ESG Master Plan 2.0 established in 2024, we identified sustainability issues. These issues were categorized into three levels: Level 1 (9 issues), Level 2 (17 issues), and Level 3 (51 issues), with materiality assessments conducted at Level 2.

Evaluation of Sustainability Issues

We evaluated both impact materiality and financial materiality through the analysis of ESG disclosure standards, evaluation indicators, laws, regulations, internal company strategies, industry benchmarking, media research, surveys, and focus group interviews. The focus group interviews involved both internal members and external stakeholders to understand the positive and negative impacts of key material issues on the environment and society, as well as the potential risks and opportunities for the company.

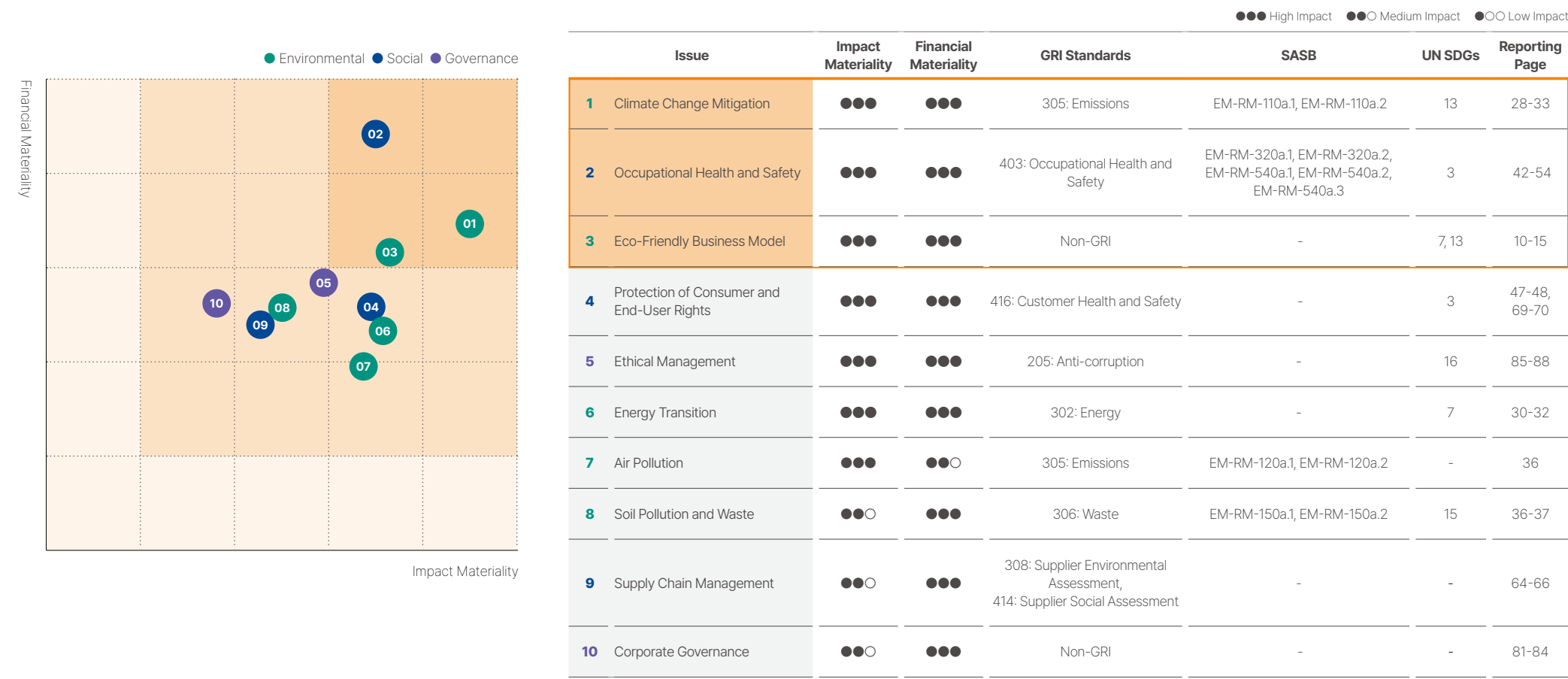
Reporting Materiality Assessment Results

We selected the top 10 material issues considering both impact and financial materiality. The results of the materiality assessment are reported annually to the ESG Committee for the top 3 key material issues, we share the selection process and response measures with stakeholders.

Materiality Assessment

Materiality Assessment Results

The results of the materiality assessment identified “Climate Change Mitigation,” “Occupational Health and Safety,” and “Eco-Friendly Business Model” as the key material issues, with no changes in their rankings compared to the previous year. Newly identified issues among the top 10 material issues include “Protection of Consumer and End-User Rights,” “Ethical Management,” “Air Pollution,” “Soil Pollution and Waste,” and “Corporate Governance.”



Materiality Assessment

Management of Material Issues

Climate Change Mitigation

Climate change is a critical challenge facing all of humanity, and corporate efforts to reduce greenhouse gas emissions have become essential elements of business operations. While SK Gas has minimal environmental pollution during its processes, greenhouse gas emissions occur during the transportation and use of products such as LPG. Additionally, the commercial operation of Ulsan GPS in 2024 is expected to increase greenhouse gas emissions. Therefore, we have designated climate change mitigation as a key material issue for the company. In 2024, we are conducting comprehensive reviews with related departments on the roadmap's achievement rates and implementation plans. To achieve Net Zero by 2030, we monitor the feasibility of our strategies annually and transparently communicate key details with stakeholders.

Impact Materiality				Financial Materiality				Response Measures	Goals
Type	Impact	Occurrence Time	Affected Stakeholders	Type	Impact	Occurrence Time	Affecting Value Chain		
Positive	Contributing to the reduction of greenhouse gas emissions through effective implementation of the Net Zero roadmap	Long-term	<div><input checked="" type="checkbox"/> Environment</div> <div><input type="checkbox"/> Customers</div> <div><input type="checkbox"/> Shareholders</div> <div><input type="checkbox"/> Employees</div>	Risk	Increased costs due to the operation of new facilities and the implementation of greenhouse gas reduction measures	Short/ Medium-term	<div><input type="checkbox"/> Upstream</div> <div><input checked="" type="checkbox"/> Business sites</div> <div><input type="checkbox"/> Downstream</div>	• Introduce seawater heat exchangers and electric heaters • Expand the use of renewable energy	Achieve Net Zero by 2030
Negative	Increased greenhouse gas emissions due to new projects like Ulsan GPS and KET	Short/ Medium-term	<div><input checked="" type="checkbox"/> Local community</div> <div><input type="checkbox"/> Partners</div>	Risk	Costs and revenue impact from environmental pollution throughout the LPG/LNG import-storage-utilization process	Short/ Medium-term			

Occupational Health and Safety

With the enforcement of the Serious Accidents Punishment Act, government regulations on workplace health and safety have been strengthened, highlighting the importance of occupational health and safety issues. In the oil and gas industry, which deals with high-pressure, high-temperature equipment and chemicals, there is a significant risk of safety accidents that can severely impact workers and companies during processing and distribution. SK Gas has secured competent SHE (Safety, Health, Environment) personnel and conducts facility safety inspections and risk assessments. We continuously invest in identifying and improving risk management blind spots to establish a global top-tier accident prevention system.

Impact Materiality				Financial Materiality				Response Measures	Goals
Type	Impact	Occurrence Time	Affected Stakeholders	Type	Impact	Occurrence Time	Affecting Value Chain		
Positive	Preventing adverse impacts on workers' health and safety through advanced workplace safety management	Continuous	<div><input type="checkbox"/> Environment</div> <div><input checked="" type="checkbox"/> Customers</div> <div><input type="checkbox"/> Shareholders</div> <div><input checked="" type="checkbox"/> Employees</div>	Opportunity	Cost savings through enhanced safety management capabilities of employees, partners, and customers and users	Continuous	<div><input checked="" type="checkbox"/> Upstream</div> <div><input checked="" type="checkbox"/> Business sites</div> <div><input checked="" type="checkbox"/> Downstream</div>	• Identify and improve blind spots • Expand practical training programs • Strengthen equipment integrity	Achieve an A+ rating in SHE management diagnostics
				Opportunity	Effective prevention of safety accidents through workplace system automation	Continuous			
Negative	Occurrence of worker fatalities, injuries, illnesses, and disabilities due to serious or industrial accidents	Continuous	<div><input type="checkbox"/> Local community</div> <div><input checked="" type="checkbox"/> Partners</div>	Risk	Occurrence of worker fatalities, injuries, illnesses, and disabilities due to serious or industrial accidents	Continuous			
				Risk	Negative perceptions of the safety of LPG and LNG fuels impacting stock prices and revenue	Short/ Medium-term			

Materiality Assessment

Management of Material Issues

Eco-Friendly Business Model






The oil and gas industry must lead the transition from fossil fuels to renewable energy, strengthening its sustainable business portfolio. SK Gas aims to eventually become a zero-carbon energy company focusing on hydrogen and ammonia. However, the commercialization of hydrogen and ammonia faces practical constraints at present. Therefore, SK Gas focuses on LPG and LNG, which emit fewer greenhouse gases compared to coal, as a bridge to zero-carbon fuels. This is a critical issue directly linked to the company's competitiveness and profitability. We manage this issue closely by responding sensitively to national energy policies and fluctuations in customer demand.

Impact Materiality				Financial Materiality				Response Measures	Goals
Type	Impact	Occurrence Time	Affected Stakeholders	Type	Impact	Occurrence Time	Affecting Value Chain		
Positive	Meeting demand for low-carbon and zero-carbon energy sources	Continuous	<div>■Environment</div> <div>■Customers</div> <div>■Shareholders</div> <div>■Employees</div> <div>■Local community</div> <div>■Partners</div>	Opportunity	Increased sales due to growing demand for LPG and LNG	Short/ Medium-term	<div>■Upstream</div> <div>■Business sites</div> <div>□Downstream</div>	<div>• Expand the introduction of LPG 1-ton trucks</div> <div>• Commence commercial operation of Ulsan GPS</div> <div>• Promote the byproduct hydrogen fuel cell business</div> <div>• Enter the U.S. ESS (Energy Storage System) market</div>	Transition to Net Zero Solution Provider Business Portfolio
				Opportunity	Expansion of the hydrogen and zero-carbon energy market	Long-term			
				Risk	Decreased demand for LPG and reduced profitability due to Net Zero policies	Short/ Medium-term			
				Risk	Weakened business competitiveness due to national passive energy transition policies	Short/ Medium-term			
				Risk	Failure in business due to the economic issues of hydrogen/ammonia fuels	Long-term			
Negative	Negative environmental and social impacts from infrastructure development	Continuous							

Stakeholder Communication

SK Gas segments its key stakeholders into customers, shareholders, employees, local communities, and partners based on the business value chain. We operate a systematic management system to ensure that the needs collected through various communication channels are effectively reflected in SK Gas's business activities.

Communication Channels and Key Issues by Stakeholder

Stakeholder Classification	Communication Channel	Key Areas of Interest	Major Activities
 Customers	<ul style="list-style-type: none">Website and SNSSurveysCustomer complaint receptionEthical management reporting channel	<ul style="list-style-type: none">Business innovation and growthEthical managementCustomer happinessEconomic performanceClimate change response and environmental management	<ul style="list-style-type: none">Disclosing company status via website noticesProviding company news through Naver Post and YouTubeReceiving and responding to customer complaints/requestsProcessing reports via the ethical management reporting channel
 Shareholders	<ul style="list-style-type: none">General meetings of shareholders, earnings presentationsDomestic and international NDR and IR meetingsOne-on-one meetings, on-site/remote consultations	<ul style="list-style-type: none">Business innovation and growthEconomic performanceShareholder communicationStrengthening business portfolioRisk management	<ul style="list-style-type: none">Conducting NDR sessions with institutional investors quarterlyHolding IR meetings continuouslyAddressing shareholder inquiries/answers
 Employees	<ul style="list-style-type: none">Management councilCEO LetterCEO/employee meetingsExecutive on-site visits	<ul style="list-style-type: none">Employee communicationEmployee happinessCommunication with on-site employees	<ul style="list-style-type: none">Labor-management council (Happiness Council)Holding CEO town hall meetings quarterly"Happy Seed Talk" with the CEOCEO visiting business sites
 Local Communities	<ul style="list-style-type: none">CSR collaboration meetings (with city/ borough offices and welfare organizations)Social contribution activitiesCooperation with Korea Social Enterprise Promotion AgencyCollaboration with civic/ environmental groups	<ul style="list-style-type: none">Climate change response and environmental managementCreating a social enterprise ecosystemCollaboration with natural ecosystem protection agenciesCollaboration with social enterprises for social contribution	<ul style="list-style-type: none">Implementing social contribution projects in local communitiesCollaborating on ecosystem protection projects with the National Institute of EcologyEmployee participation in volunteer activities (e.g., Anna's House, Hansol Welfare)
 Partners	<ul style="list-style-type: none">Withus online systemPartner meetingsSafety inspection workshopsProviding information for shared growth	<ul style="list-style-type: none">Occupational health and safetyShared growthBusiness innovation and growthEthical managementCustomer happiness	<ul style="list-style-type: none">Operating the ethical management reporting channelHolding SHE partner meetings and improvement meetingsConducting partner meetings at business unit levels (safety inspection partners, transport drivers, etc.)Providing updates on shared growth programs



Stakeholder Interviews



Tae Han Kim, Senior Researcher
Korea Sustainability Investing Forum
(KoSIF)

Recently, the significant agenda related to greenhouse gas emissions has shifted from focusing solely on the company's emissions to reducing emissions across the entire value chain. SK Gas needs to consider this change by developing its greenhouse gas reduction strategies and addressing the reduction throughout the industry. Our vision of becoming a "Net Zero Solution Provider" reflects well on social changes regarding the environment, especially greenhouse gases. I hope that SK Gas's commitment and plans for the eco-friendly business model issue, identified in this double materiality assessment, are effectively communicated.



Jin Pyung Ahn, Auditor
Korean Foundation for Quality
(KFQ)

SK Gas's management strategy as a "Net Zero Solution Provider" will contribute to climate change mitigation, a key issue identified in this double materiality assessment. However, mitigating climate change depends on the organization's long-term commitment and the pace of advancements in greenhouse gas reduction technologies. SK Gas needs to continually improve equipment efficiency, invest in research and development, and enhance employee training. Moreover, to avoid negative impacts on occupational health and safety from using chemicals like hydrogen and ammonia, thorough preliminary reviews and evaluations are essential. If SK Gas systematically adjusts its strategies and plans accordingly, it will gain stakeholder empathy and execute successful ESG management."



Jae Hyuk Lee, Director
ESG Research Institute,
Korea University

Industrial accidents not only cause physical and mental harm to workers but also result in significant financial losses for the company, making prevention crucial. I believe this is why occupational health and safety were identified as key issues in SK Gas's double materiality assessment. From this perspective, SK Gas is actively promoting the safety management of its employees and partners by establishing a systematic occupational health and safety system, which helps prevent accidents and manage potential social impacts and financial losses. The company's efforts to enhance the safety capabilities of its customers and users stand out, considering the safety of the entire value chain.



Kwang Rae Park, Analyst
Shinhan Securities Co., Ltd.

SK Gas aims to transition to an eco-friendly business by adding hydrogen and ammonia businesses to its existing operations. From an investor's perspective, it is important to present realistic short-term and long-term revenue models during this business transition. The eco-friendly business transition identified in the double materiality assessment is appropriate from this viewpoint. If the financial impacts of this issue on SK Gas are analyzed and response plans for risks and opportunities are provided, stakeholder expectations for achieving the goal of becoming a "Net Zero Solution Provider" will increase.



Jae Sun Yoo, Analyst
Hana Securities Co., Ltd.

The energy industry is sensitive to external environmental changes, particularly policy changes related to energy, which significantly impact the eco-friendly energy market. Managing the key issues of climate change and eco-friendly business transition, identified in the double materiality assessment, requires assessing risk factors associated with domestic and international energy policy changes and developing response plans. If short-term and mid- to long-term risks are thoroughly reviewed during risk factor assessment, SK Gas's attractiveness to investors will increase.

FOR THE PLANET



ESG Master Plan 2.0

Climate Change Response

28

- Scope 1, 2 Net Zero('30)
- RE: 60('25) → 100('30)
- Contribute to reducing greenhouse gas emissions through the supply of lower/zero carbon products/ services
- Develop Scope 3 reduction strategies

Air Quality

36

- Reduce air pollutant emissions at business sites
- Expand the distribution of clean energy products/ services to reduce air pollutant emissions

Water & Waste

36

- Reduce water usage per unit and increase recycling rates
- Maintain “Gold/Platinum” level for Zero Waste to Landfill (ZWTL)

Ecology & Biodiversity













37

- Prevent and restore marine and land pollution
- Protect biodiversity
- Preserve and restore habitats

Progress Report

ESG MASTER PLAN 1.0
(2021-2023 Performance)

→ ESG MASTER PLAN 2.0
(2024-2026 Goals)

<div></div> <div>Climate Change Response</div>	<div>Established Net Zero Roadmap</div> <div><ul style="list-style-type: none">Expanded renewable energy usagePurchased RECs & installed solar panels (Accumulated greenhouse gas reduction through REC purchase: 6,521 tCO₂eq)</div> <div>Achieved greenhouse gas reduction targets for 2022-2023</div>	<div>Net Zero Roadmap Update</div> <div><ul style="list-style-type: none">Introduce seawater heat exchangers and pursue PPAGradually transition to eco-friendly vehicles</div> <div>Achieve greenhouse gas reduction targets for 2024-2026</div>
<div></div> <div>Air Quality</div>	<div>Established Air Pollution Management System</div> <div><ul style="list-style-type: none">Installed TMS at Ulsan terminal in 2023</div> <div>Maintained air pollutant levels at Global Top Peer standards</div>	<div>Advancement of Air Pollution Management</div> <div><ul style="list-style-type: none">Continuously monitor air pollutants</div> <div>Maintain air pollutant levels at Global Top Peer standards</div>
<div></div> <div>Water & Waste</div>	<div>Established Water Management System</div> <div><ul style="list-style-type: none">Introduced wastewater reuse system at Pyeongtaek Terminal in 2023</div> <div>Achieved 9.4% water recycling rate, and 100% waste recycling rates at headquarters, Ulsan terminal, and Pyeongtaek terminal</div>	<div><div>Expanded Waste Recycling</div><div><ul style="list-style-type: none">Improved headquarters' waste recycling rate continuously<ul style="list-style-type: none">From 68.2% in 2021 to 100% in 2023Obtained ZWTL (Zero Waste to Landfill) international certification<ul style="list-style-type: none">Ulsan/Pyeongtaek Terminals received Platinum level in 2022, G.Hub received Gold levelHeadquarters achieved 100% recycling rate in 2023 (including 16% heat recovery)</div></div> <div>Improve water recycling rate year-over-year, and achieve 100% company-wide waste recycling rate</div>
<div></div> <div>Ecology & Biodiversity</div>	<div>Conducted Biodiversity Conservation Activities</div> <div><ul style="list-style-type: none">Established biodiversity policy and operated ecosystem protection programsCollaborated with social enterprises for ecosystem protection activities (SE Bridge)</div> <div>Participated as a member company in the BNBП (Business and Biodiversity Platform)</div>	<div><div>Expansion of Biodiversity Conservation Activities</div><div><ul style="list-style-type: none">Conduct wetland protection projects with the National Institute of EcologyEngage employees in SE Bridge's "Little Friends of the Forest," an ecological conservation project</div></div> <div><div>Continuous Marine and Soil Pollution Activities</div><div><ul style="list-style-type: none">Regularly conduct the "One Company, One Coastline" projectConduct response scenario training for marine pollution spillsMonitor storage tanks at all business sites with CCTV</div></div> <div>Wetland Protection Project Implemented by National Institute of Ecology</div>

Climate Change Response

GOVERNANCE

Climate Change Response Decision-Making Framework

SK Gas incorporates climate change issues into its overall management and has established a decision-making framework to achieve the vision of becoming a “Net Zero Solution Provider.”

Board of Directors’ Role

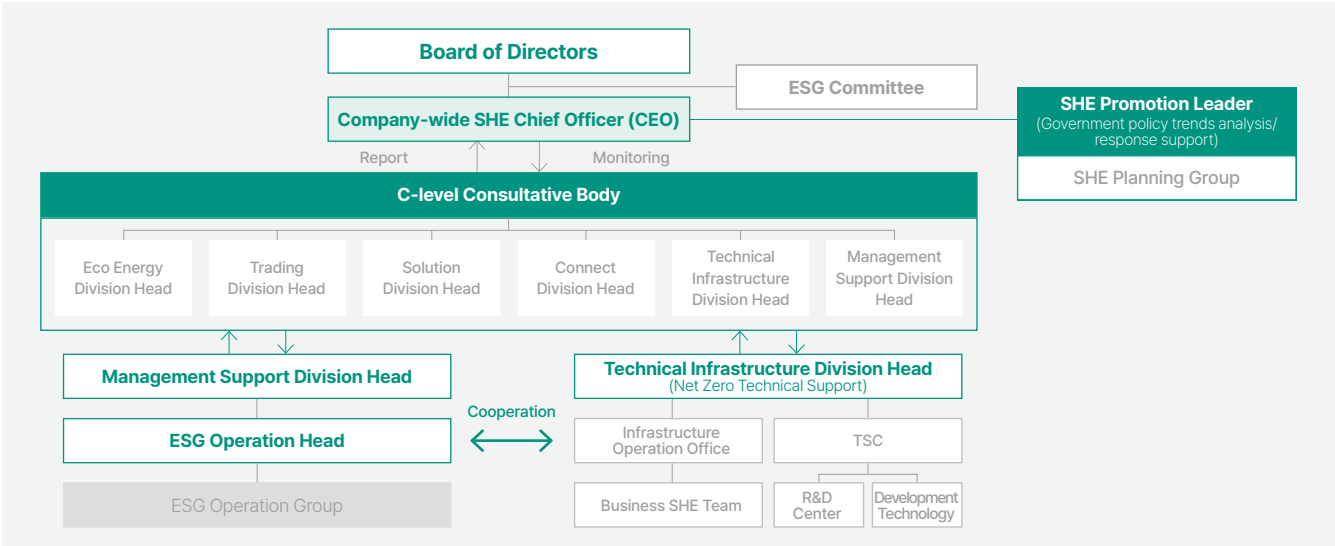
The ESG Committee of the SK Gas is responsible for formulating the company’s mid- to long-term climate change strategy and providing advisory and review services for ESG management. The committee oversees climate-related response activities within the organization. It regularly and irregularly monitors and reviews climate change response and management plans, discusses future plans, and reports the results to the Board. The committee also makes decisions to manage, evaluate, and mitigate climate change-related risks faced by SK Gas.

Role of the Management

To address major company-wide risks, including climate change, SK Gas operates a C-level consultative body led by the CEO. This body acts as a control tower for company-wide risk management and comprises heads of business units and the head of the Management Support Division, with the CEO as the chief decision-maker. The CEO’s Key Performance Indicators (KPIs) include the establishment of a climate change response system, Net Zero goals, and the annual ESG Management Infra plan performance.

The head of the Management Support Division reviews climate change strategies and risk/opportunity factors, while the head of the Technical Infrastructure Division, who oversees SHE (Safety, Health, Environment) at all business sites, evaluates the feasibility and practicality of climate change-related projects. These discussions are reported bi-weekly to the C-level consultative body, led by the CEO, to develop climate change-related discussions and response plans. Key agenda items from these meetings are reported to the Board and the ESG Committee through the CEO.

Organization Chart of the Climate Change



Key Climate Change-Related Agendas of the ESG Committee

Meeting Date	Agenda
March 21, 2023	Progress and MOU signing for PPA
April 19, 2023	Reporting results of SV measurement
June 30, 2023	Review of ESG materiality assessment results and sustainability report plan Reporting the CDP evaluation response plan
October 25, 2023	Reporting on the introduction of an internal carbon pricing system
December 21, 2023	Reporting 2023 ESG major achievements and 2024 plans (Net Zero implementation progress and future plans)

Climate Change Response

STRATEGY

Climate Change Scenario Analysis

Through the publication of the 2022 TCFD report, SK Gas has identified climate change risks and opportunities that could impact its business by utilizing the NZE2050 and STEPS scenarios from the International Energy Agency (IEA). The financial impacts of these factors were analyzed from short-, medium-, and long-term perspectives. Detailed information on climate change risks, opportunities, and financial impacts can be found in the 2022 TCFD Report.

[Go to \[2022 TCFD Report\]](#) →

The analysis revealed that stricter carbon emission regulations for Net Zero implementation were identified as risk factors, while the increased demand for LPG/LNG due to the expansion of renewable energy adoption in national energy policies was identified as an opportunity factor. Based on the scenario analysis results, SK Gas is formulating its climate change response strategy.

The strategy will be continuously updated to reflect factors influencing Net Zero implementation.

Climate Change Risk Factors

Category	Risk Factors		Scenario		Financial Impact
Transition Risk	National Energy Policy	Strengthening of Net Zero policies and carbon taxes/regulations	1.5°C(NZE2050)	Short and Medium Term	• Expansion of renewable energy adoption and RPS • Expansion of eco-friendly electric and hydrogen vehicle adoption
				Long Term	• Increase in carbon tax rates and strengthening of emission trading scheme targets • Expansion of countries adopting the emission trading scheme • Increased carbon tax burden on the LPG business • Global expansion of the emission trading scheme for shipping and aviation
	Market	Changes in Energy Demand (Natural Gas)	2.6°C(STEPS)	Short and Medium Term	• Strengthening of energy greenhouse gas target management system
			2.6°C(STEPS)	Short and Medium Term	• Increased competition for LNG procurement leading to price hikes
		Changes in Energy Demand (Non-fossil fuels)	1.5°C(NZE2050)	Long Term	• Market contraction due to Green Hydrogen
				Short and Medium Term	• Decrease in LPG demand due to Net Zero policies
	Reputation	Changes in Investment Criteria towards Low/Zero Carbon	1.5°C(NZE2050)	Long Term	• Decline in LPG profitability due to Net Zero policies • Increased market transition risk, and uncertainty
				Short and Medium Term	• Decrease in investment value of fossil fuel businesses
Physical Risk		Increased Awareness and Support for Weather Disasters	2.6°C(STEPS)	Short and Medium Term	• Increased capital investment and insurance costs • Increased facility management and prevention costs
				Long Term	• Increased and accelerated supply chain delays due to weather disasters

Climate Change Opportunity Factors

Category	Opportunity Factors		Scenario		Financial Impact
National Energy Policy	Implementation of National Policies for Large-Scale Adoption of Renewable Energy Sources	1.5°C(NZE2050) 2.6°C(STEPS)		Short and Medium Term	• Increase in demand and market expansion for LPG and LNG products • Transition to renewable energy & green hydrogen-based power supply systems
				Long Term	• Expanded government support for low-carbon energy and reduced technology development costs
Market	Changes in Energy Demand (Natural Gas)	2.6°C (STEPS)	Short and Medium Term		• Expansion of domestic and international LNG businesses • Increased demand and sales for LPG and LNG markets • Increased market share for eco-friendly fuels
		2.6°C (STEPS)			
		2.6°C (STEPS)	Short and Medium Term		• Increased demand for LNG and other low-carbon energy sources
			Long Term		• Increased demand for hydrogen Net-Zero energy solutions
Technology	Advances in renewable energy and CCUS technology	1.5°C (STEPS)		Short and Medium Term	• Expansion of renewable energy generation
				Long Term	• Expansion of CCUS technology

Climate Change Response

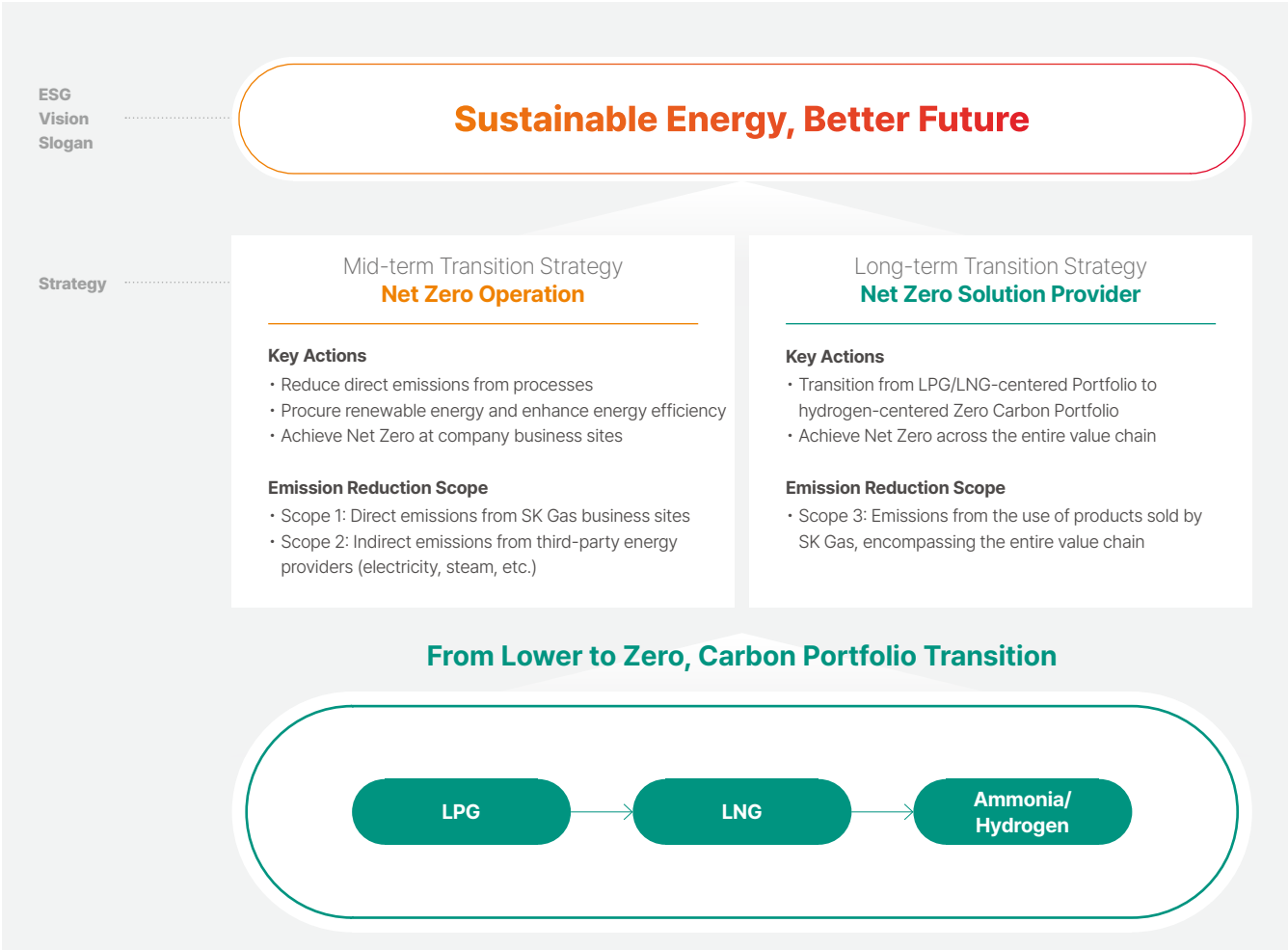
STRATEGY

Climate Change Response Strategy

SK Gas aims to achieve Net Zero at its operations by reducing greenhouse gas emissions from processes, procuring renewable energy, and improving energy efficiency at its business sites. In the long term, SK Gas plans to achieve Net Zero across the entire value chain, including Scope 3 emissions, and expand eco-friendly hydrogen and ammonia businesses. This approach will balance business growth with environmental impact reduction, creating a sustainable energy future under the vision of “Sustainable Energy, Better Future.”

Additionally, SK Gas will collaborate with various stakeholders, including customers and partners, to enhance related capabilities and respond to the critical issue of climate change.

Climate Change Response Strategy Framework



Climate Change Response

STRATEGY

Energy Efficiency and Greenhouse Gas Reduction Activities

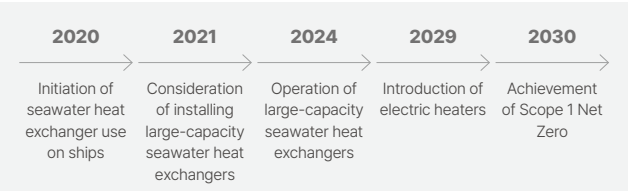
Scope 1 Reduction Activities

When importing LPG, propane at approximately -40°C is heated using Fire Heaters to around 3°C before being stored in caverns*. This process accounts for 99% of SK Gas's Scope 1 emissions, and we are actively working to reduce these emissions.

Since 2020, SK Gas has been using the ship's seawater heat exchanger to initially warm frozen propane from -40°C to -38°C to -32°C before using heaters, reducing propane consumption and greenhouse gas emissions. To further leverage this system, in 2024, SK Gas plans to install and introduce a large-capacity seawater heat exchanger to achieve additional reductions in greenhouse gas emissions. The introduction of the seawater heat exchanger is expected to decrease annual fuel consumption by approximately 3,250 tons in the propane Fire Heater, reducing greenhouse gas emissions by 9,500 tCO₂eq.

Additionally, SK Gas has planned to convert propane Fire Heaters to electric heaters as part of its greenhouse gas reduction strategy and intends to thoroughly review the implementation plans for these reduction measures in 2024.

Key Scope 1 Reduction Activities



* Cavern: underground rock gas storage

Scope 2 Reduction Activities

SK Gas aims to achieve Scope 2 Net Zero by reducing electricity consumption at its facilities and procuring renewable energy through PPAs**.

To reduce energy use at its facilities, SK Gas has introduced and operated a central control system for air conditioning, reducing annual greenhouse gas emissions by 120 tCO₂eq. Additionally, solar installations across all facilities are expected to reduce emissions by about 152 tCO₂eq annually.

In 2023, following the 2030 Net Zero roadmap, SK Gas purchased renewable energy certificates (RECs), reducing emissions by approximately 4,000 tCO₂eq, and plans to continue reducing Scope 2 emissions through PPAs and other means by 2030.

** PPA: Power Purchase Agreement, renewable energy power procurement contract

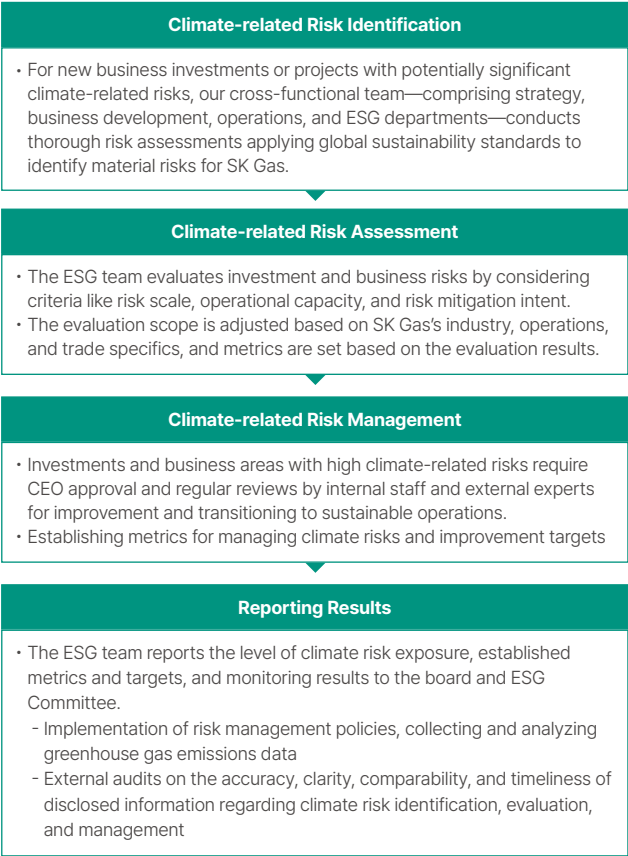
Employee Participation in Greenhouse Gas Reduction Activities

SK Gas encourages employees to contribute to greenhouse gas reductions in their daily lives through the "Hangarae" app, the first social value practice application in Korea. Through the "Hangarae" app, employees can accrue Social Value (SV) rewards by scanning QR codes when engaging in environmentally conscious behaviors such as opting for stairs over elevators, walking short distances, minimizing food waste, and utilizing reusable beverage containers. These SV rewards can be directed towards charitable donations or purchases from social enterprises. In 2023, our employees' collective efforts through Hangarae resulted in an estimated GHG reduction of 86 metric tons.

RISK MANAGEMENT

SK Gas conducts comprehensive climate-related risk assessments for new business investments and implements targeted metrics and objectives based on identified risk exposures.

Climate Change Risk Management Process



Climate Change Response

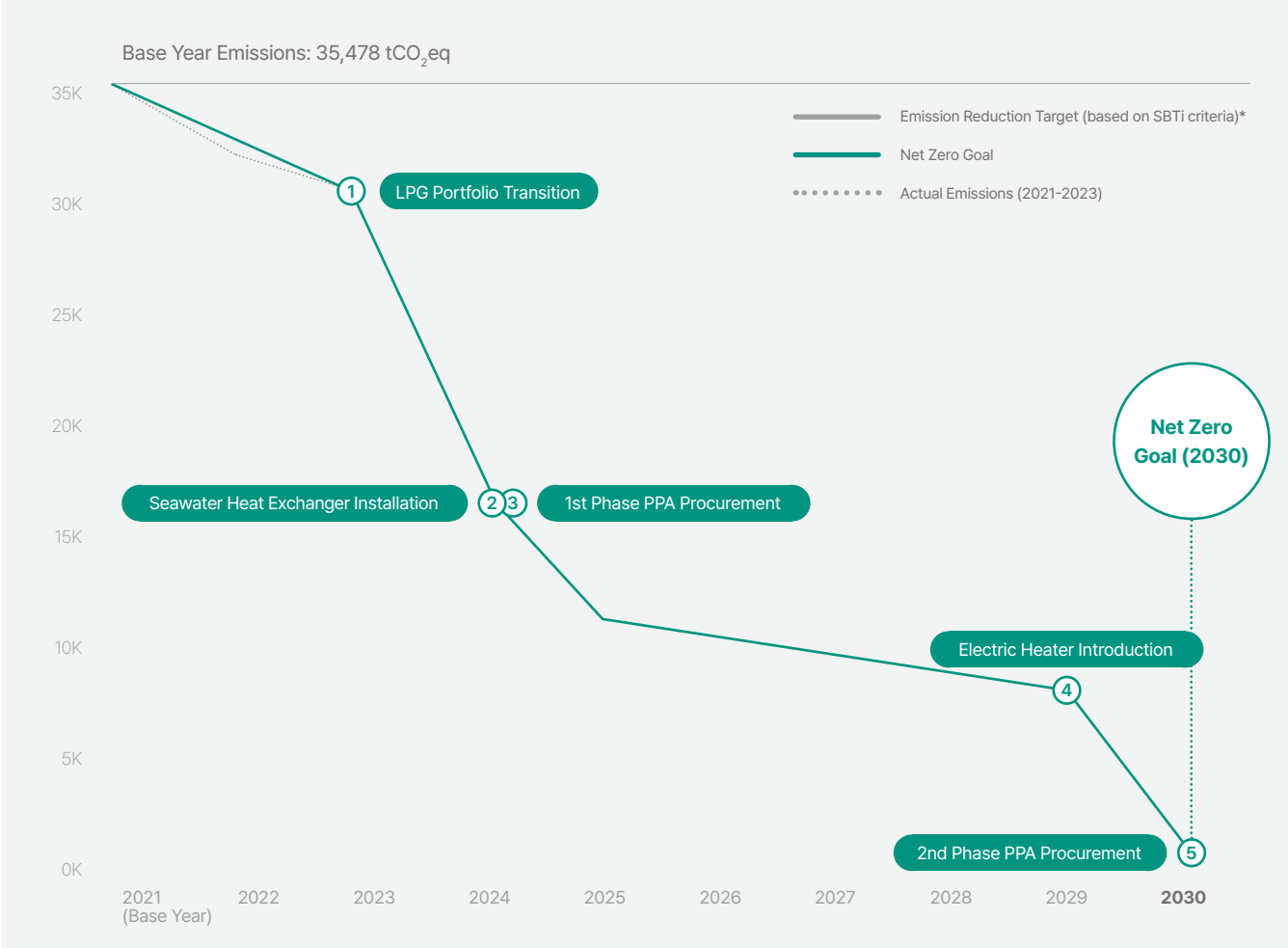
METRICS & TARGET

SK Gas has declared a commitment to achieving Net Zero by 2030 in response to global climate change. We aim to reduce Scope 1 emissions through the introduction of seawater heat exchangers and electric heaters, and to reduce Scope 2 emissions through renewable energy procurement via Power Purchase Agreements (PPA).

Although SK Gas has been steadily implementing its Net Zero plan since the 2021 declaration, various changes in market conditions, regulations, and technology are underway, and these changes are expected to accelerate in the future. Recognizing the need to update its reduction plans to realistically achieve the 2030 Net Zero goal, SK Gas plans to conduct technical and financial feasibility reviews in 2024, incorporating various changing factors into its Net Zero implementation plan.

2030 Net Zero Roadmap

(As of the end of December 2023)



* As the SBTi Oil & Gas Industry Guide has not yet been published, self-verification was conducted according to the General Guide.

Climate Change Response

METRICS & TARGET

Greenhouse Gas Emissions

Category	Unit	2021	2022	2023
Total Emissions (Scope 1, 2)	tCO ₂ eq	35,478	32,383	30,794
Direct Emissions (Scope 1)	tCO ₂ eq	23,481	23,817	23,450
Indirect Emissions (Scope 2)	tCO ₂ eq	11,997	8,566	7,344
Other Indirect Emissions (Scope 3)*	tCO ₂ eq	11,601,210	11,942,582**	11,782,399
GHG Intensity (Emission Intensity)	tCO ₂ eq/KRW billion	5.46	4.01	4.40
Reduction Achievements (Average Improvement Rate)	%	N/A	26.56	-9.83

* Scope 3 Calculation Scope: All categories 1 to 15, third-party verification for categories 1, 10, and 11 (98.9% of total Scope 3 emissions in 2023)

** Some items in the 2022 Scope 3 data were corrected due to aggregation errors.

Net Zero Roadmap Performance and Targets

Indicator	Details	Unit	2021	2022	2023	2024	2025	2026
GHG Emissions (Scope 1 + Scope 2)	Target Emissions	tCO ₂ eq	(Base Year)	32,409	31,747	27,622	10,691	9,600
	Actual Emissions	tCO ₂ eq	35,478	32,383	30,794	-	-	-
	Goal Achievement	-	-	Achieved	Achieved	-	-	-
Energy Use Reduction	Shipboard seawater heat exchangers	tCO ₂ eq	376	381	390	293	195	195
	High-capacity seawater heat exchangers	tCO ₂ eq	-	-	-	3,773	9,401	9,483
	Transition to eco-friendly vehicles	tCO ₂ eq	-	-	-	-	25	35
	Introduction of central heating and cooling systems	tCO ₂ eq	-	-	27	27	27	27
Expansion of Renewable Energy Use	Solar power installation	t/CO ₂	13	27	35	40	40	40
	Purchase of Renewable Energy Certificates (RECs)	tCO ₂ eq	-	2,537	3,984	8,915	8,915	8,915
	Power Purchase Agreements (PPAs)	tCO ₂ eq	-	-	-	-	-	-
Product/Service GHG Reduction	Reduction through conversion from B-C oil to LPG fuel	tCO ₂ eq	144	148	145	145	146	147
	Reduction through shortening delivery distances with wego diesel transport vehicles*	tCO ₂ eq	-	11	23	25	28	31
Reduction through employee participation (Hangarae)		tCO ₂ eq	8	12	86	90	100	110
Development of Clean Technologies	Technology development areas and content	-	Investment in turquoise hydrogen technology	Development of turquoise hydrogen technology	Investment in turquoise hydrogen technology	Review of ammonia decomposition technology	Review of ammonia decomposition technology	Verification of turquoise hydrogen technology

* Past data was revised according to changes in calculation standards.



Environmental Management

GOVERNANCE

Environmental Management Policy

SK Gas prioritizes minimizing the environmental impact of its business activities and maintaining a pleasant and safe working and living environment for its employees. Recognizing the importance of environmental management, our top executives and employees adhere to environmental management policies and continuously improve their management standards.

SK Gas Environmental Management Principles

SK Gas is committed to:

- Actively responding to the climate crisis.
- Officially supporting and rigorously adhering to international environmental declarations, standards, and regulations.
- Pursuing continuous innovation across all management activities to provide eco-friendly products and services.
- Transparently disclosing information related to environmental management to stakeholders according to global standards.
- Striving to minimize the negative environmental impacts arising from business activities.
- Continuously enhancing environmental management strategies and implementation systems.
- Complying with environmental laws and regulations and fostering a culture of environmental management.

Environmental Management System

To proactively address environmental risks, SK Gas has established an environmental management system aimed at effectively implementing environmental management strategies and achieving harmonious growth with the environment.

Roles of the Board and Management

Major environmental issues are deliberated and reviewed by the ESG Committee within the Board of Directors. As the company-wide SHE (Safety, Health, Environment) head, the CEO reports annual environmental performance and the next year's plans to the ESG Committee, and matters deliberated by the committee are approved by the Board. Environmental performance indicators are also reflected in the KPIs of the CEO and key executives.

SHE Promotion Team

Directly under the CEO, the SHE Promotion Team formulates company-wide environmental management strategies and oversees the planning and development of environmental management policies and projects for each business site. Adhering to ISO 14001 certification, the team evaluates the implementation of the environmental management system through internal and external audits and continuously enhances the environmental management framework.

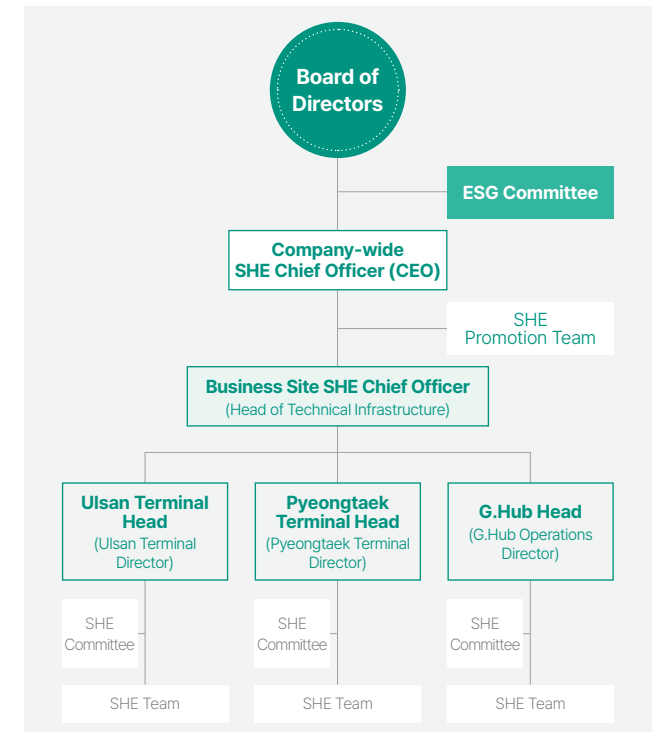
SHE Committee (Business Site)

Each business site has an SHE Committee responsible for implementing safety, health, and environmental management. The committee, chaired by the site manager, ensures systematic decision-making and promotes SHE management activities.

SHE Team (Business Site)

The SHE Team is the operational organization responsible for safety, health, and environmental management at each business site. Comprising essential personnel in five areas—environment, chemicals, industrial safety, gas, and fire—according to relevant laws, the team focuses on on-site implementation checks and accident prevention programs.

Organization Chart of the Environmental Management



Environmental Management

RISK MANAGEMENT

Comprehensive Environmental Management Level Evaluation

To identify risk factors that environmental issues such as air, water, waste/soil, and chemical management may pose to business operations, SK Gas conducts an annual comprehensive environmental management level evaluation of its Ulsan Terminal, Pyeongtaek Terminal, and G.Hub. The 2023 evaluation results showed improvements in all areas compared to the previous year, earning an “A” (good) rating. For identified deficiencies, improvement plans have been established and are being implemented.

Overview of Environmental Management Level Evaluation

Evaluation Methods	① Joint inspections with external diagnostic agencies ② Review of relevant procedures and implementation documents ③ Interviews with relevant personnel
Evaluation System	- 64 evaluation items across 4 categories, each scored from 1 to 10 - Risk Level assessed as High, Medium, or Low based on urgency of improvement (e.g., legal violations)
Evaluation Areas and Elements	- Air, water, waste/soil, chemical management

* S Grade: 95 points or higher, Global Top Tier level, SHE management system exceeds legal standards/A+ Grade: 90 points or higher, excellent level, SHE management system meets and exceeds legal standards/A Grade: 80 points or higher, good level, SHE management system meets legal standards and procedures mostly followed/B+ Grade: 70 points or higher, average level, SHE management system meets some legal standards, improvement needed/B Grade: 60 points or higher, poor level, SHE management system meets some legal standards, but implementation is insufficient/C Grade: Below 60 points, critical level, SHE management system does not meet legal standards
** Excluded from the target as there are no air emission facilities installed

Environmental Management Level Evaluation Results

Category	2023		Field Scores			
	Grade*	Score	Air	Water	Waste/Soil	Chemical
Ulsan Terminal	A (Good)	82.0	87.9	70.0	90.0	80.0
Pyeongtaek Terminal	A (Good)	81.6	81.5	77.5	87.5	80.0
G.Hub	A (Good)	86.9	N/A**	85.0	85.6	90.0

Compliance with Environmental Laws

In accordance with ISO 14001 (Environmental management systems) requirements, SK Gas regularly inspects compliance with environmental laws and obligations. This process enhances employees’ understanding of legal requirements and their application in the field, thereby strengthening their environmental management capabilities. In 2023, inspections of compliance with five environmental laws revealed no violations, and any deficiencies identified through annual internal inspections have been rectified.

Status of Environmental Law Violations

Category	Unit	2021	2022	2023
Number of Violations	cases	0	0	0
Amount of Fines	KRW	0	0	0

Overview of Environmental Law Compliance Diagnostics

Diagnostic Methods	① Review of law registration books ② Examination of compliance documents ③ Diagnosis of compliance with environmental regulations
Diagnostic System	- Risk Level assessed as High, Medium, or Low based on urgency of improvement (e.g., legal violations)
Diagnosed Environmental Laws	- 5 Regulations (Clean Air Conservation Act, Water Environment Conservation Act, Waste Control Act, Chemical Substances Control Act, Act on the Registration and Evaluation, etc. of Chemical Substances)

* Non-Point Pollution Reduction Facilities: Facilities to prevent water pollution by unspecified substances from the site flowing into rivers during rain

Major Deficiencies and Improvement Status

Business Site	Area	Major Deficiencies	Improvement Status
ECO Hub	Waste	Mixed storage of waste in temporary storage area	Separated waste storage (Completed January 2024)
Ulsan Terminal	Chemicals (Chemical Control Act)	Inadequate emergency response plan and training for chemical spills	Included response scenario for odorant spills in training plan
Pyeongtaek Terminal	Chemicals (Act on the Registration and evaluation, etc. of Chemical Substances)	Missing MSDS for some chemicals stored at outdoor hazardous materials storage	MSDS placement (Completed March 2024)
G.Hub	Water	Reduced efficiency of non-point pollution reduction facilities*	Annual dredging and cleaning of non-point pollution reduction facilities

Air Quality

STRATEGY

Although SK Gas does not generate significant air pollutants during its processes, it continuously invests in facilities and management to minimize emissions. In 2023, TMS* were installed on three propane heaters at the Ulsan Terminal to monitor nitrogen oxide (NOx) emissions in real time.

* TMS: Tele Monitoring System, a device that automatically measures and transmits air pollutant emissions

METRICS & TARGET

SK Gas aims to maintain emissions of air pollutants (NOx, SOx, dust, etc.) at the Global Top Peer level.

Category	Unit	Global Top Peer	2023	2024 Goal	2025 Goal	2026 Goal
NOx Emissions	ton	203.35*	17,818	14,642	12,473	9,978
SOx Emissions	ton	713**	0.060	0.049	0.042	0.034
Dust Emissions	ton	0.46***	0.544	0.447	0.381	0.305
Volatile Organic Compounds (VOCs)	ton	41.00****	0	0	0	0

* Parkland Corporation(Canada)
** Vibra Energia S/A(Brazil)
*** Sinopec Kantons Holdings Limited(Hongkong)
**** Formosa Petrochemical Corporation(Taiwan)

Water

STRATEGY

SK Gas has established its own water management system to efficiently use water resources, monitoring water usage during operations and managing water pollutants.

Water Recycling

SK Gas has implemented a water recycling system through the construction of a greywater system. In addition to the existing ECO Hub, a greywater system was installed at the Pyeongtaek Terminal in May 2023, treating 157 tons of wastewater annually to the level of domestic water. Plans are in place to expand this system to the Ulsan Terminal by 2025.

Water Pollutant Management

Wastewater from the terminals is treated to less than 10% of legal discharge standards using a Membrane Bioreactor (MBR*) system before discharge. SK Gas regularly monitors total organic carbon (TOC), suspended solids (SS), and biochemical oxygen demand (BOD) to manage water quality.

* MBR: Membrane Bioreactor, a water treatment process combining traditional biological treatment with membrane filtration

METRICS & TARGET

In 2023, SK Gas achieved a water recycling rate of 9.4%, surpassing the target of 8.5%. Plans for 2024 include further improvements such as additional greywater systems and the installation of wastewater measurement devices.

Category	Unit	2023	2024 Goal	2025 Goal	2026 Goal
Total Water Withdrawal	ton	33,843	36,460	38,210	34,480
Total Water Recycled	ton	3,523	3,646	4,203	4,483
Total Water Recycling Rate	%	9.4	10.0	11.0	13.0

Waste

STRATEGY

SK Gas strives to minimize environmental pollution from waste emissions by focusing on waste reduction and recycling. Employees strictly adhere to waste segregation and are encouraged to use personal tumblers instead of disposable cups, earning social value (SV) points for doing so. Continuous efforts to identify and collaborate with recycling companies have led to improvements in the recycling rate. To objectively evaluate these efforts, SK Gas has pursued international certification for waste recycling rates (ZWTL*). Following the certification obtainment of the Ulsan Terminal, Pyeongtaek Terminal, and G.Hub in 2022, the ECO Hub also obtained certification in September 2023, achieving company-wide certification for waste recycling rates. SK Gas plans to maintain these international certification standards moving forward.

* ZWTL: Zero Waste to Landfill, a system by the American safety certification company UL (Underwriters Laboratories) that annually rates facilities with excellent recycling rates

METRICS & TARGET

In 2023, SK Gas achieved a waste recycling rate of 98.2%, meeting the annual target of 98.02%. In line with the mid- to long-term recycling plan, SK Gas aims to achieve 100% waste recycling at all business sites by 2030.

Category	Unit	2023	2024 Goal	2025 Goal	2026 Goal
Total Waste Generated	ton	538.8	520.0	510.0	500.0
Recycling Rate	%	98.2	100	100	100



Ecology & Biodiversity

STRATEGY

Biodiversity Policy

As an LPG and LNG import and distribution company, SK Gas recognizes the importance of biodiversity conservation for the sustainable management of natural resources and the preservation of natural ecosystems.

We participate in BNP (Business and Biodiversity Platform) as a member company to protect marine and terrestrial environments and biological resources. SK Gas engages in various ecological protection activities, particularly in Ulsan and Pyeongtaek where its facilities are located, collaborating with NGOs and other companies. In recognition of these efforts, SK Gas was named a "Sponsor for the Conservation of Endangered Species" at the 2023 Endangered Species Day event organized by the National Institute of Ecology.

SK Gas's storage terminals in Ulsan and Pyeongtaek are not located within environmentally protected areas as defined by international agreements or domestic laws. Additionally, any new projects undergo mandatory environmental impact assessments, and sites within protected areas are excluded from consideration.

Soil and Marine Pollution Management

SK Gas regularly measures soil contamination levels in facilities that could potentially cause soil pollution. Additionally, we monitor process facilities 24/7 via CCTV and operate containment barriers to prevent pollutant leaks. The G.Hub, which houses large-scale hazardous material storage, uses leak detection detectors to prevent oil spills from storage tanks and pumps.

In 2023, SK Gas conducted oil spill response drills based on scenarios involving potential oil spills during unloading operations at docks. These drills included the deployment of oil booms to prevent marine pollution and land-side contamination control exercises.



Marine Pollution Control Training

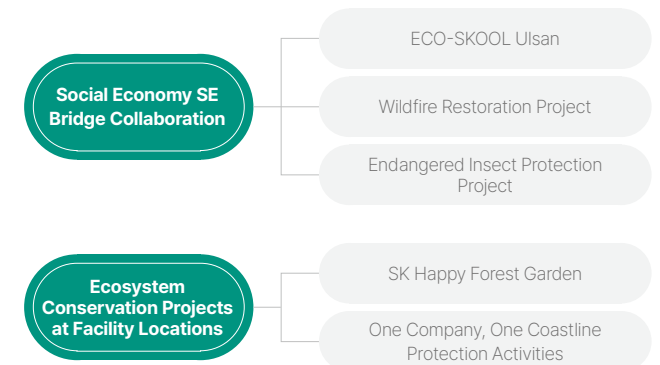
Ecological Protection Activities

SK Gas conducts mandatory pre-construction environmental impact assessments for new facilities in compliance with relevant regulations. These assessments help identify and mitigate soil contamination and biodiversity threats. We also hold public hearings to gather and incorporate local residents' feedback into its project plans.

Additionally, SK Gas undertakes annual ecosystem monitoring and restoration projects at all its sites, collaborating with local environmental groups in Seongnam, Ulsan, and Pyeongtaek, as well as the National Institute of Ecology. Through the SE Bridge initiative, SK Gas partners with social enterprises to actively promote ecosystem protection.

[Go to \[Ulsan GPS Environmental Impact Assessment Report\]](#)

Ecosystem Protection Programs



Ecology & Biodiversity

STRATEGY

SE Bridge

2021 Eco Play - ECO-SKOOL Ulsan

In 2021, SK Gas selected “Eco Play” as a partner for its SE Bridge project to support ecological education in Ulsan, where its facilities are located. Eco Play developed ecological education content and learning programs for the Ulsan area. In 2023, they conducted ecological education for local students. They created workbooks featuring ten species native to the Ulsan region, incorporating these into an augmented reality (AR) app called Eco Village, allowing students to experience ecology through 3D AR. An online satisfaction survey of participating teachers in 2023 rated the program 4.9 out of 5. Recognized for its educational excellence by the Ulsan Office of Education, the ECO-SKOOL Ulsan program will expand in 2024, distributing additional workbooks and supporting more educational activities in partnership with the Ulsan Environmental Education Center.

ECO-SKOOL Ulsan Workbook and Education Overview

Workbooks Printed	5,400 copies distributed
Students Educated	3,096 students in Ulsan (1,677 completed, 1,419 scheduled)
Target Age Group	Ages 3 to 16 (preschool to high school)



Workbooks and supplementary materials

2022 WePlant – Wildfire Restoration Project

In 2022, SK Gas selected “WePlant” for its SE Bridge project, focusing on wildfire restoration. WePlant, along with 37 local citizens, planted 781 tulip trees in Hongseong-gun, Chungcheongnam-do, an area affected by wildfire. We also developed the “Tree Map” service to digitally map the planted trees, providing a quantitative assessment of the project’s ecological and economic impacts.

SK Gas WeForest Project Status

Restoration Date	November 10, 2023
Restoration Area	Namdang-ri, Seobu-myeon, Hongseong-gun, Chungcheongnam-do, Republic of Korea
Restoration Area Size	2,360m ²
Trees Planted	781 trees



2023 Little Friends in the Forest – Endangered Insect Protection Project

In 2023, SK Gas chose “Little Friends in the Forest” for its SE Bridge project to emphasize the ecological importance of insects and focus on breeding and releasing endangered species.

The project targets species like the golden jewel beetle, the water scavenger beetle, and the two-spotted stag beetle, which are designated as endangered and natural monuments by the Ministry of Environment. In the second half of 2024, SK Gas employees will participate in ecological monitoring near Ulsan to ensure suitable environments for these species.

Key Project Activities

Breeding Endangered Insects	Establishment of facilities for indoor breeding of endangered insects
Releasing Endangered Insects	Ecological monitoring to assess habitat suitability before releasing bred insects
Ecology Education on Endangered Insects	Educational programs allowing direct observation and explanation of the bred endangered insects



Ecology & Biodiversity

STRATEGY

Ecosystem Conservation Projects at Facility Locations

SK Happy Forest Garden

Pyeongtaek is an area that lacks mountainous regions and hosts large industrial complexes, making it geographically and environmentally vulnerable to fine dust. Recognizing this issue, SK Gas has continuously promoted the “SK Happy Forest Garden” as a key ecological protection program. After establishing the first garden in Pyeongtaek’s Godeok-dong area in November 2022, spanning 150 pyeong, SK Gas created a second garden of 95 pyeong in Anjung-eup in June 2023 and a third garden of 136 pyeong in Godeok-dong in December 2023. We plan to continue creating SK Happy Forest Gardens in 2024. These gardens combine garden and rest areas harmoniously with existing plantings, providing spaces for relaxation and communication for Pyeongtaek residents and visitors. Located near apartment complexes and schools, they are highly accessible to the local community. Trees with fine dust reduction effects have been planted, and an IoT-based garden management system has been applied to automatically supply water according to soil, temperature, and humidity needs, ensuring efficient plant care year-round.

One Company, One Coastline Protection Activities

SK Gas continuously promotes “One Company, One Coastline Protection Activities” around its facilities to demonstrate its commitment to coastal ecosystem and local environmental protection. This initiative involves voluntary marine environment conservation activities in collaboration with local organizations at harbors, beaches, and river estuaries to create a clean marine environment. Employees at the Ulsan and Pyeongtaek facilities conduct quarterly clean-up activities, collecting discarded waste around Pyeongtaek Lake and Namyang Lake and carrying out environmental clean-up efforts in the surrounding areas.

METRICS & TARGET

SK Gas aims to contribute to ecosystem protection through biodiversity conservation projects in alignment with its medium-term biodiversity plan.

Ecosystem Conservation Project Performance and Goals

Category	2021	2022	2023	2024~ (Mid-term Plan)
Number of SE Bridge Partner Companies	1 (Eco Play)	1 (WePlant)	1 (Little Friends in the Forest)	Each year, one company is selected for cooperation.
Local Ecological Survey and Publication/Distribution of Ecological Books	Pyeongtaek	Seongnam/ Seocheon	(Planned wetland protection activities from 2024 in cooperation with the National Institute of Ecology)	
Participation in Ecological Protection Programs with Local NGOs	75 persons	240 persons		
Afforestation and Urban Park Projects	744 trees	870 trees	1,594 trees	Plant over 1,000 trees annually through SK Happy Forest Garden and Eco-tree projects
One Company, One Coastline Protection Activities	Ulsan/ Pyeongtaek	Ulsan/ Pyeongtaek	Ulsan/ Pyeongtaek	Continuously conducting annually around facilities

WITH STAKEHOLDERS



ESG Master Plan 2.0

Health & Safety	42	Human Values	55	Responsible Business	64	Community Engagement	71
<ul style="list-style-type: none">• Safety of Employees• Safety of Partner Companies• Safety of Local Communities		<ul style="list-style-type: none">• Establishment and Implementation of Human Rights Management Policy• Talent Development• Work-life Balance• Diversity, Equity, and Inclusion (DE&I)• Enhancement of ESG Awareness and Practice Among Employees		<ul style="list-style-type: none">• Strengthening of Supply Chain Management• Information security• Enhancement of Product Liability and Services		<ul style="list-style-type: none">• Expansion of Eco-friendly Activities in the Community (Green)• Spread of Happiness in the Community (Health)• Improvement of Quality of Life for Vulnerable Populations (Hope)	

Progress Report

ESG MASTER PLAN 1.0
(2021-2023 Performance)

→ **ESG MASTER PLAN 2.0**
(2024-2026 GOALS)

<div>Health & Safety</div>	<div> Establishment of Health and Safety Systems and Strengthened On-site Implementation <ul style="list-style-type: none"> Identified and improved blind spots in health and safety Enhanced training and education for employees and partners Built a health and safety management system for customers and users </div> <div> Achieved an 'A' grade in SHE management diagnosis </div>	<div> Fostering a Bottom-up Safety Culture <ul style="list-style-type: none"> Create an advanced safety culture Establish a Smart Terminal SHE system Identify and improve vulnerable points for customers and users </div> <div> Achieve an 'A+' grade in SHE management diagnosis </div>
<div>Human Values</div>	<div> Establishment of Human Rights Management System <ul style="list-style-type: none"> First revision of the human rights management declaration in 2022 Enhanced human rights impact assessments in 2023 <ul style="list-style-type: none"> Expanded assessments to include partners Conducted in-depth evaluations through interviews and site visits Second revision of the human rights management declaration and policy improvements in 2023 Improvement of Organizational Culture through Expanded Communication </div> <div> Improvement of Organizational Culture through Expanded Communication <ul style="list-style-type: none"> Introduced a flexible working system in 2021 Conducted 251 "Happy Seed Talk" sessions in 2023 </div> <div> Consistent Improvement in Culture Surveys for Three Consecutive Years </div>	<div> Internalization and Establishment of Human Rights Management <ul style="list-style-type: none"> Implement the roadmap for enhancing human rights impact assessments </div> <div> Innovation of Organizational Culture <ul style="list-style-type: none"> Launch a project to improve organizational culture in 2024 </div> <div> Expand human rights impact assessments to include more partners by 2024 / Achieve an 88% participation rate in the flexible working system by 2025 </div>
<div>Responsible Business</div>	<div> Expansion of ESG Management in the Supply Chain <ul style="list-style-type: none"> Provided an online education platform for partners in 2023 Expanded ESG diagnostics to cover all business sectors Reduced the high-risk ratio among partners from 100% in 2022 to 26.7% in 2023 </div> <div> Establishing an Information Security Management System <ul style="list-style-type: none"> Obtained ISMS-P certification for the "SK LPG Membership Service" in 2023 </div> <div> Reduced the high-risk ratio among key partners from 100% to 26.7% </div>	<div> Strengthening ESG Capabilities in the Supply Chain <ul style="list-style-type: none"> Provide coaching, consulting, and advanced education for high-risk partners Expand support to enhance ESG capabilities among partners </div> <div> Enhancing the Information Security Management and Governance <ul style="list-style-type: none"> Review security of subsidiaries and investment companies and support information protection assessments </div> <div> Expanding Support for High-Risk Partners </div>
<div>Community Engagement</div>	<div> Establishment of Social Contribution Strategies (Hope, Green, Health) <ul style="list-style-type: none"> Launched the "Jigwanseoga" community library project in 2020 Implemented the "Hope Maker School" program in 2021 Created the first to third SK Happy Forest Gardens between 2022 and 2023 Received recognition as a sponsor for endangered species conservation in 2023 </div> <div> Achieved an 83% improvement in career and learning abilities through the Hope Maker program in 2023 / Generated KRW 8.57 billion in social value from the "Jigwanseoga" project between 2021 and 2023 </div>	<div> Continuous Expansion of Social Contribution Programs <ul style="list-style-type: none"> Establish the fifth SK Happy Forest Garden by 2025 Expand the Hope Maker program to support 100 children </div> <div> Support approximately 6,000 improvements to LPG supply facilities through the LPG Hope Recharging Fund by 2025 </div>

Health & Safety

GOVERNANCE

Health and Safety Policy

SK Gas has declared the SHE (Safety, Health, Environment) Management Policy, prioritizing SHE as core value to achieve the happiness of all stakeholders. This policy applies to all workers at our business sites, including regular and contract employees, subcontractors, service providers, and special employment workers, to comprehensively manage health and safety risks throughout the business process.

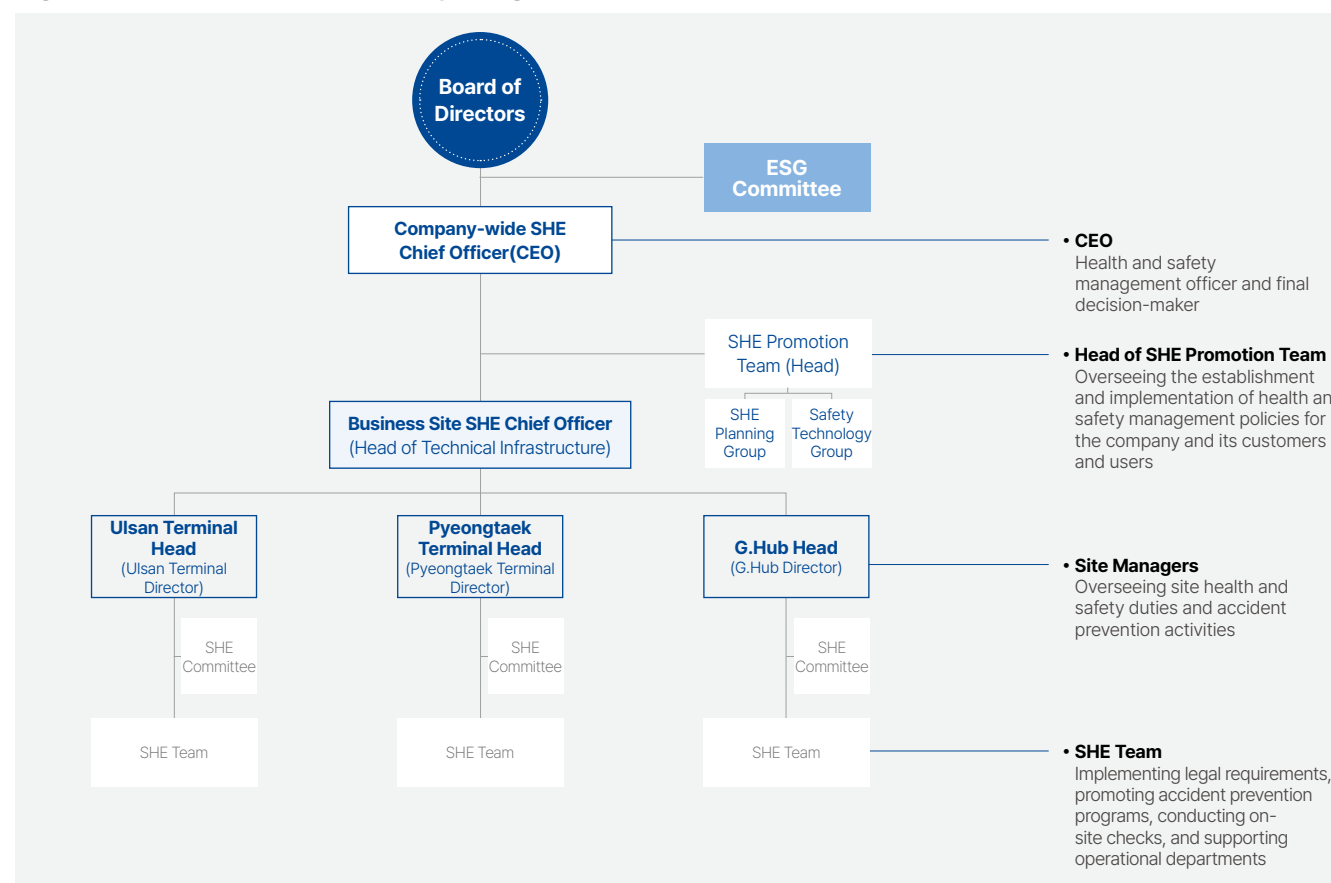
SHE Management Policy

SK Gas, as a “Net Zero Solution Provider” embraces “SHE(Safety, Health, Environment)’ as core values, committing to protecting people, promoting human health, and preserving the global environment.

We strive to achieve the happiness of all stakeholders and foster shared growth.

Leadership by management in expressing and practicing SHE commitment to establish a culture of advanced autonomous safety.	Strict adherence to SHE laws and regulations, with regular inspections, improvements, and system enhancements to elevate SHE management standards.
Development and rigorous implementation/management of action plans for achieving SHE goals, considering all human and material resources.	Creation of a healthy and clean work environment, with systematic health management to prevent occupational diseases and promote health for all workers.
Leadership in environmental preservation through energy conservation, expansion of eco-friendly energy use, comprehensive environmental impact assessments, and reduction of greenhouse gases and pollutants.	Maintenance of a cooperative system with partners to share SHE management capabilities and grow together as a global leader.
Transparent investigation, improvement, and sharing of SHE incidents to prevent similar occurrences and maintain constant emergency response systems to mitigate damage.	Transparent disclosure and sincere communication of SHE management performance and related information to internal and external stakeholders.

Byung Suk Yoon, CEO of SK Gas



Health & Safety

GOVERNANCE

SHE Monitoring System

SK Gas measures the operational performance of its health and safety management system by selecting leading and lagging indicators and incorporating them into the annual goals at both the corporate and site levels. The KPIs for the CEO, key executives, and site SHE managers include health and safety performance metrics such as Lost-Time Injury Rate (LTIR) and health and safety level assessment results. For employees, performance evaluations consider leading indicators directly related to accident prevention, such as participation in health and safety training, the number of identified hazards, violations of safety rules, and the acquisition of SHE certifications

SHE performance is linked to a rewards/discipline system, offering excellent employees various incentives, including overseas training opportunities. In cases of violations of basic safety rules or legal requirements, disciplinary actions are taken to establish a culture of adhering to SHE standards and procedures.


SK Gas has implemented Safety Golden Rules (SGRs) that must be followed by employees and partners. Violations of these rules result in strict enforcement of internal regulations with zero tolerance.

Companies with outstanding accident prevention activities or significant contributions to achieving zero accidents are recognized with CEO awards and monetary prizes, reinforcing the motivation to strengthen the health and safety management system. Additionally, employees of partner companies who actively participate in accident prevention activities, such as identifying potential hazards, are regularly selected and awarded health and safety activity incentives to emphasize the importance of collaborative safety efforts and encourage continued participation.

Safety Golden Rules


Act 01

Obtain work permit approval and follow procedures for all tasks.




Act 02

Implement fall prevention measures for work at heights.




Act 03

Measure hazardous gases and oxygen levels in confined spaces at prescribed intervals.




Act 04

Establish a safety zone and restrict pedestrian access during heavy equipment operations.




Act 05

Take fire prevention measures before conducting hot work.




Act 06

Apply lockout/tagout procedures during maintenance of process and electrical equipment.




Act 07

Verify the presence of buried utilities before excavation.




Act 08

Smoking is prohibited within the workplace except in designated areas.



Act 09

Immediately report safety incidents without concealment.



Health & Safety

STRATEGY | Workplace Health and Safety

Health and Safety Management System

SK Gas follows the company-wide SHE (Safety, Health, Environment) management policy and SHE management system to establish a virtuous cycle (Plan-Do-Check-Action) of SHE across all operations. We are striving to ensure the health and safety of our employees, partner company workers, local communities, and consumers

In 2021, we developed the SHE Master Plan to enhance health and safety management annually, and in August 2023, we achieved ISO 45001 certification for our international health and safety management system. Our health and safety management system comprises 37 procedures, including SHE management system regulations, process safety management regulations, ECO Hub health and safety management regulations, safety rule management procedures, work permit procedures, industrial health management procedures, contractor SHE management procedures, and emergency and incident management procedures for customers and users. The implementation of these health and safety management procedures is evaluated and reviewed regularly (biannually) to identify and address any deficiencies.



Employee Capability Enhancement Activities

Employee Capability Enhancement Activities

Regular health and safety education and training are conducted to raise awareness of safety importance among all employees and to impart basic safety knowledge as per the education plan.

Regular Health and Safety Training

All SK Gas employees receive mandatory health and safety training in compliance with the Occupational Safety and Health Act and other relevant safety regulations. Employees responsible for safety management also complete periodic job-specific training.

SHE Specialist Training

To enhance the accident prevention capabilities of field employees, SK Gas provides external specialist training. In 2023, training covered gas safety, risk assessment, accident investigation, environmental facility operation, and safety instructor qualifications, with 28 participants (17% of the workforce).

Practical Training Programs

Recognizing the limitations of theory-based health and safety education, SK Gas has developed and implemented practical training programs to strengthen emergency response capabilities and major accident prevention. In 2023, practical training focused on four critical areas (equipment, high-altitude, scaffolding, electrical) and fire response, enabling employees to participate directly and improve their accident prevention skills and field execution capabilities.

Participation in Health and Safety Improvements

The procedures for gathering employee suggestions on health and safety improvements are outlined in the SHE Committee Operating Procedures. SK Gas collects employee feedback through various communication channels, including regular meetings of the Occupational Safety and Health Committee, site-specific SHE Committees, and SHE communication meetings. The feedback is actively incorporated into policies and practices to create a safe and pleasant working environment.

Employee Communication Channels

Category	Opportunity Factors
Occupational Safety and Health Committee (Quarterly)	<ul style="list-style-type: none">• Composition: 8 labor-management representatives, including senior representatives• Topic: Sharing risk factor identification and improvement results
SHE Committee (Quarterly)	<ul style="list-style-type: none">• Composition: Site managers, team leaders, supervisors• Topic: Review and resolution of SHE issues
SHE Communication Meetings (Monthly)	<ul style="list-style-type: none">• Composition: Site managers, all employees• Topic: Collection and discussion of safety suggestions and feedback

Operational Status

Category	Unit	Business Site			
		ECO Hub	Ulsan Terminal	Pyeongtaek Terminal	G.Hub
Number of Improvements	meetings	4	4	4	4
Agenda Items	items	11	16	20	15
Completed Improvements	items	11	13	18	12
Completion Rate	%	100	81	90	80



Health & Safety

STRATEGY | Workplace Health and Safety

Employee Health Programs

SK Gas supports all employees, including contract workers, by providing programs aimed at preventing occupational diseases and promoting health and wellness for a happy and healthy work life.

To prevent occupational diseases, we conduct workplace environment assessments and musculoskeletal hazard investigations at each site, and we operate a deep management system for high-risk employees. Additionally, we identify and manage areas for improvement through self-diagnosis of our health management system. We also operate various welfare programs and psychological counseling services to support employee health and collect employee feedback annually to improve these programs.



Employee Health Programs

Occupational Disease Prevention Activities

Health Checkups and Occupational Risk Identification/Monitoring

- Analysis of health checkup results to select high-risk individuals and focus on managing specific diseases
- Identification and monitoring of harmful factors in the workplace, including workplace environment measurements, musculoskeletal hazard investigations, and job stress surveys.

Securing and Operating Health Managers

- Designation of dedicated health personnel to ensure professional capabilities
- Response to employees with abnormal health checkup results or suspected brain and cardiovascular diseases

Health Promotion Welfare Programs

Medical Expense Support

- Support system for medical expenses to treat individual diseases, including for employees' families, and support for paid leave/leave of absence
- Operation of a paid leave system for personal diseases requiring long-term treatment, including cancer

Mental Health Protection

- Management of job-related stress and support for psychological counseling programs to improve mental health (since 2020, operation of the "Simtness (Mind Fitness)" program)

Fitness Center Operation

- Utilization of flexible working hours to support facility use and various individual health promotion activities, such as Group Exercise/Yoga

Health Promotion Programs

- Programs for forming healthy habits for individuals with basic health conditions and support for health consultations through a 24-hour AI chatbot

Health Promotion Platform

SK Gas provides employees with health management content and information related to personal diseases through the health promotion platform. Employees can check changes in their health data, such as weight, blood pressure, and blood sugar levels, and make inquiries about personal diseases through a 24-hour chatbot. In addition, we enhance health management awareness among employees by sending personalized health card news and video emails. In 2024, we plan to use this platform to promote a "Small-scale Intensive Health Management Package" that includes diet, exercise, and follow-up examination management.

Health Promotion Programs for Each Site

We analyze employees' health checkup data to understand existing conditions and plan health promotion programs tailored to the specific characteristics of each workplace. Representative health programs include InBody health promotion competitions, smoking cessation campaigns, CPR contests, and intensive personalized health management.

Sasang Constitution Analysis

In 2023, SK Gas launched a Sasang Constitution Analysis program, analyzing the constitution of each employee and providing consulting on appropriate dietary habits and exercise methods accordingly.

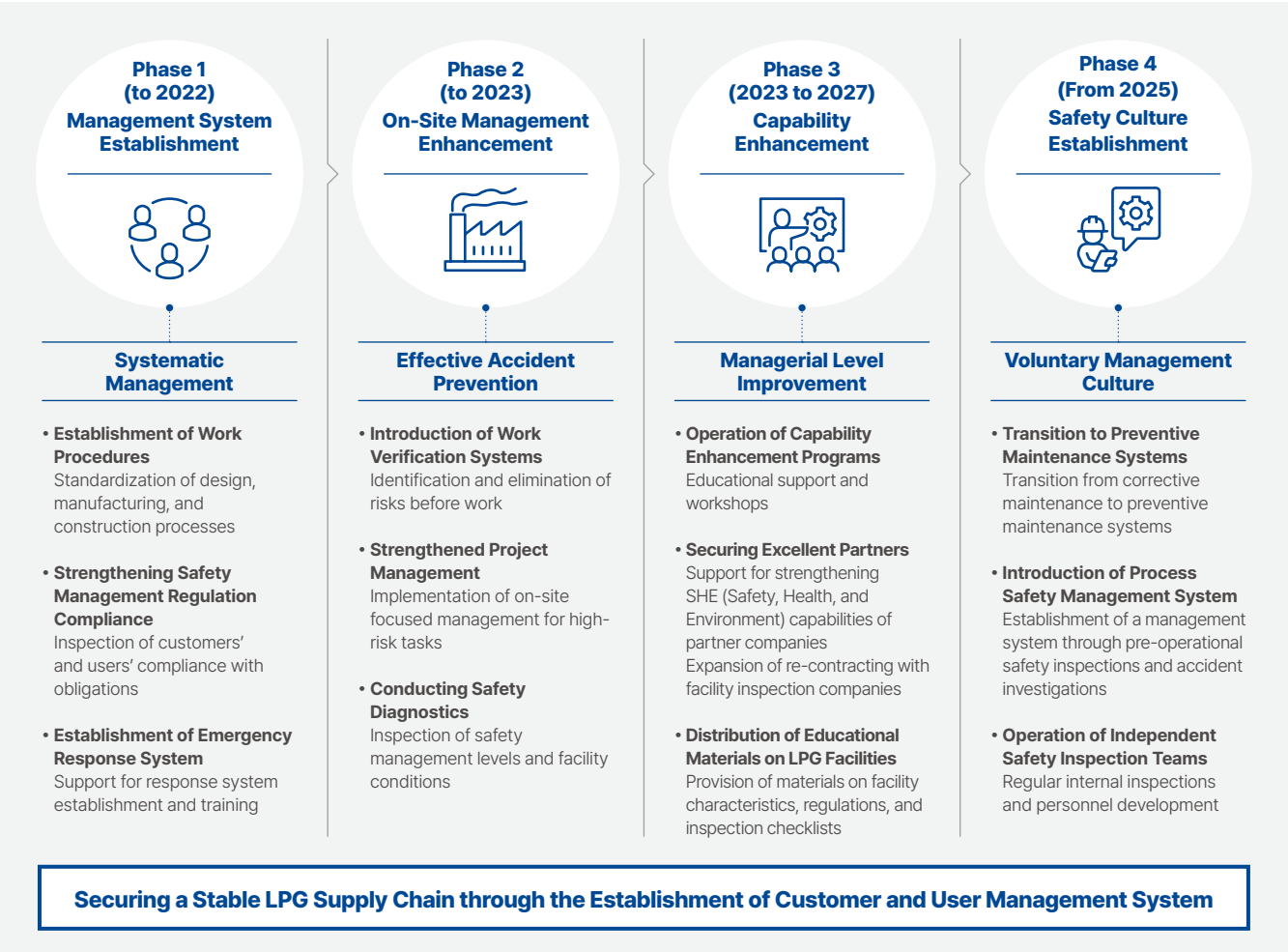
Health & Safety

STRATEGY | Customers and Users’ Health and Safety

Establishing a Safe LPG Supply Chain Ecosystem

To ensure the safe and stable supply of LPG, SK Gas has established a roadmap for a safe LPG supply chain ecosystem, focusing on four main tasks: strengthening facility integrity, enhancing on-site work management, reinforcing customers and user ownership, and supporting partner capabilities. In 2023, we enhanced facility integrity by introducing precision inspections and preventive maintenance. We also conducted training to improve the safety capabilities of customers and users and partners. Additionally, we identified and addressed operational difficulties through interviews with customer and user managers.

Roadmap for Establishing a Safe LPG Supply Chain Ecosystem





Health & Safety

STRATEGY | Customer and User Health and Safety

Enhancement of Customer and User Facility Integrity

To ensure the integrity of customer and user facilities, we have introduced precision inspections and preventive maintenance. We conducted joint inspections with the Korea Gas Safety Corporation at a total of 143 customer and user sites to assess facility operation and maintenance status. Additionally, to maintain optimal facility conditions, we analyze the frequency of failures, repair periods, and process impacts of aging equipment such as loading arms* and gas compressors. We assign grades to the equipment and perform preventive maintenance accordingly.

* Loading Arm: LPG unloading equipment

Safety Competency Enhancement Programs

To improve the safety capabilities of customers and users and partners, we have developed and distributed inspection manuals and checklists for LPG facilities. We provided training to managers on legal safety obligations, accident case studies, and manuals. Furthermore, we directly visited 89 customer and user sites and 25 partner company sites to guide safety activities such as facility inspections and risk assessments. Joint emergency drills and facility inspections with SK Gas were conducted to strengthen initial emergency response capabilities.



Manager competency training

Tank Lorry Accident Prevention Program

To prevent accidents involving LPG transport tank lorries, we have strengthened safety management. In 2023, we implemented an accident prevention program based on risk assessment results and feedback from tank lorry drivers, which included ① vehicle inspections, ② training, and ③ infrastructure improvements. Safety inspections were conducted on approximately 350 tank lorries entering our terminals. We invited experts to provide safety training to drivers and to gather their feedback. Additionally, we improved infrastructure at the bases by removing obstacles, painting guidelines, installing speed bumps, and applying anti-freeze heating cables on the ground to prevent accidents.



Tank lorry accident prevention program

Propane Safety Management Platform "wego Safety"

In 2021, SK Gas introduced "wego Safety," the industry's first digital safety management service for customers and users using IoT sensors. Through wego Safety, refueling stations and bulk business operators can timely fulfill the safety management obligations of small storage tanks and systematically prepare for safety accidents. We have collaborated with the Korea Gas Safety Corporation to digitize regular inspections, expand daily mobile inspections, and provide expert inspection services to prevent bulk lorry accidents, enabling safety officers to effectively focus on on-site safety inspections. Additionally, by linking public data from the Ministry of the Interior and Safety with customer and user location information (GPS), we operate a disaster response service to prepare for safety accidents caused by wildfires, heavy rains, landslides, and other disaster situations.



Propane safety management platform "wego Safety"

Health & Safety

STRATEGY | Workplace Health and Safety

Partner SHE Evaluation

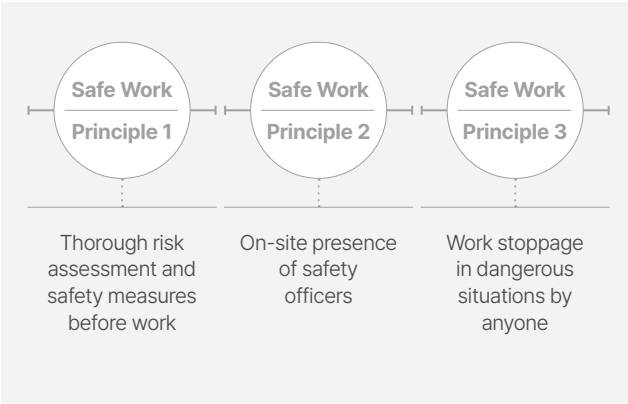
To select partners with excellent health and safety management abilities and a strong focus on preventing major accidents, SK Gas conducts a qualified contractor evaluation. The evaluation consists of seven areas and 22 items, including the health and safety management system and accident prevention activities, ensuring that only companies with verified health and safety capabilities can

participate from the bidding stage. Additionally, we conduct on-site evaluations of regional partners to actively identify companies with strong health and safety management capabilities. Safety management at the worksite follows the “Three Principles of Safe Work,” reviewing and verifying step-by-step risk factors to prevent industrial accidents.

Partner SHE Evaluation Process



Three Principles of Safe Work



Partner Health and Safety Support Programs

We operate support programs to enhance health and safety capabilities for local small businesses and those who do not meet qualified contractor evaluation standards. For orders under KRW 100 million, we ensure appropriate profit margins for partners through bulk orders, enabling sufficient investment in safety management. We have also introduced a high-risk work management training certification system to improve on-site safety management and strengthen accident prevention. By creating customized training videos for workers and conducting post-training evaluations, we contribute to accident prevention through the dissemination of objective standards and professional knowledge. Furthermore, we listen to the Voice of Customers (VOC) from various levels, including partner company CEOs, site managers, and workers, to derive practical safety measures and drive improvement activities based on these insights.

Health & Safety

STRATEGY | Workplace Health and Safety

Win-win Cooperation Programs

To enhance the health and safety awareness of partner company employees and strengthen their commitment to safety management, SK Gas promotes various mutual cooperation programs.

Win-win Cooperation Programs

Business Site	Program Title	Description
ECO Hub	Potential Risk/Blind Spot Detection Program	Identification of blind spots to remove hazardous/risk factors and prevent accidents, selection and rewarding of best practices
Ulsan Terminal	SHE Shared Growth Workshop	Group discussions for SHE shared growth, SHE quiz competition and awards, SHE commitment ceremony
Pyeongtaek Terminal	Near-miss Incidents Detection Contest	Identification and evaluation of near-miss incidents to eliminate potential risks, with rewards for identified cases
	Internal Safety Broadcast Contest	Internal safety broadcast contest to establish and promote a voluntary safety culture
G.Hub	Partner Safety Keeper Activities	Identification and improvement of hazardous/risk factors, evaluation, and rewarding
	Emergency CPR Contest	Understanding emergency CPR procedures and enhancing emergency response capabilities, with evaluation and rewards

Collection of Partner Feedback

SK Gas's SHE management policy includes subcontractors, special workers, and service providers. We actively listen to health and safety-related concerns through the Partner Council and meetings with partner representatives, and we incorporate the feedback received. Additionally, we operate an ethical management channel to receive grievances from partner employees through various channels and conduct human rights management surveys and Focus Group Interviews (FGI). In 2023, we established the Smart Terminal Partner Portal, allowing anyone to express safety management concerns and suggestions at any time.

[Go to \[Ethical Management Channel\]](#) →

Operation of the Partner Council

Category	Unit	Business Site			
		ECO Hub	Ulsan Terminal	Pyeongtaek Terminal	G.Hub
Number of Improvements	sessions	12	12	12	12
Agenda Items	cases	35	26	9	24
Completed Improvements	cases	35	25	8	24
Completion Rate	%	100	96.2	88.8	100

Channels for Collecting Partner Feedback

Communication Channel	Frequency	Composition and Topics
Partner Representative Meetings	Annually	•Composition: Site managers, partner representatives •Topic: Sharing and awarding of annual SHE performance
Partner Council Meetings	Monthly	•Composition: Site managers, relevant team leaders/managers •Topic: Discussion of health and safety measures

Health & Safety

RISK MANAGEMENT

Risk Diagnosis

SHE Management Diagnosis

To verify the health and safety management level of our worksites from a professional and objective perspective, we conduct SHE (Safety, Health, Environment) management diagnoses through external professional organizations and group experts. The evaluation covers a total of 177 items across ten areas related to compliance with health and safety regulations and facility management. We review regulations and procedures, conduct employee interviews, and perform on-site inspections. Identified issues are categorized by urgency into major non-conformities, minor non-conformities, and improvement recommendations.

In 2022, we identified 680 issues, all of which were 100% resolved. In 2023, all three sites—Ulsan Terminal, Pyeongtaek Terminal, and G.Hub—achieved a comprehensive grade of A (Good). Besides SHE management diagnoses, we conduct compliance checks with health and safety regulations to identify additional risks, and all non-conformities are addressed with improvement plans under the supervision of the site manager.

SHE Management Diagnosis Results (Unit: cases)

Category	Grade	Health and Safety Risk Level		
		Major Non-Conformities	Minor Non-Conformities	Improvement Recommendations
Ulsan Terminal	A (Good)	1	-	27
Pyeongtaek Terminal	A (Good)	1	9	16
G.Hub	A (Good)	1	2	16

Hazardous and Risk Factor Management System

SK Gas has established a site risk factor management system by 1) clarifying the management standards for hazardous and dangerous work, 2) identifying and improving on-site risk factors, and 3) analyzing data through an IT system. The IT system enables real-time monitoring of inspection results and improvement actions via a mobile app, with collected data analyzed for policy integration. In 2023, we conducted monthly themed inspections on key risk management items, identifying 208 necessary improvements. Additionally, we held a near-miss detection contest for all employees at each site, uncovering 86 near-miss incidents. Employees with exemplary cases received rewards, and all identified near-miss incidents were addressed to eliminate potential hazards.

Identification and Improvement of Safety Management Blind Spots

To thoroughly prevent health and safety-related risks, we identified and assessed blind spots that were previously outside our management scope. In 2023, of the 338 identified hazardous and risk factors in safety management blind spots, 88% were resolved. For investment items such as facility improvements, we have allocated budgets and planned to complete these improvements by June 2024.

Hazardous and Risk Factor Management Status (Unit: cases, %)

Category		Identified	Improved	Remaining	Improvement Rate
ECO Hub	Blind Spots	21	21	0	100
	Themed Inspections	17	16	1	94
	Total	38	37	1	97
Ulsan Terminal	Blind Spots	111	101	10	91
	Themed Inspections	80	74	6	93
	Total	191	175	16	92
Pyeongtaek Terminal	Blind Spots	42	42	0	100
	Themed Inspections	75	57	18	76
	Total	117	99	18	85
G.Hub	Blind Spots	164	135	29	82
	Themed Inspections	36	34	2	94
	Total	200	169	31	85

Health & Safety

RISK MANAGEMENT

Risk Prevention

Company-wide Integrated Control System

To detect SHE (Safety, Health, Environment) risks and issues early and to take proactive preventive measures, we have established a company-wide integrated control system. This system enables real-time monitoring of business sites, integrated facility management, and risk situation management. It also provides comprehensive safety and environmental information through videos, digital twins, and dashboard screens. The SHE situation room supports quick decision-making from an integrated perspective on identified issues.

Company-wide Integrated Control System



Establishment of Emergency Response System and Conducting Emergency Drills

SK Gas operates a 24-hour continuous monitoring system at each business site to respond swiftly to emergencies and disseminate information to prevent escalation into major accidents. In the event of an accident, each business site uses an emergency contact network to notify the affected department, situation room, and SHE managing department of the business site, and follows action procedures based on the emergency response level. Additionally, we minimize the impact on the surrounding areas by notifying public institutions and fire and emergency agencies located near the business site through internal and external reporting. We have established and operate emergency response procedures and response organizations based on scenarios for different accident situations, implementing measures to prevent recurrence.

Furthermore, to strengthen the real-world fire response capabilities of our in-house fire brigade and to raise awareness about the importance of fire accident prevention, we participate in practical training conducted by the National Fire Agency. In 2023, in collaboration with the Gyeonggi Fire Academy, we conducted training on wearing protective gear during fire response, ensuring the safety of firefighters, water application techniques for different types of fires, team-based extinguishing tactics, first aid, and patient transportation methods, enhancing our ability to respond immediately to real situations.

Emergency Drill Details

Category	Frequency	Participating Entities
Fire Suppression Drill	Semi-annual	In-house
	Annually	Regional fire station, nearby companies
Fire Evacuation Drill	Semi-annual	In-house
Emergency Call Drill	Monthly	In-house
Chemical Disaster Prevention Drill	Annually	In-house
Marine Pollution Prevention Drill	Semi-annual	Korea Maritime Environment Management Corporation
Confined Space Rescue Drill	Semi-annual	In-house



Ulsan Terminal Situation Room



Joint emergency response drill with fire station

Health & Safety

METRICS & TARGET

Safety Goals

SK Gas achieved Zero major accidents at business sites and customer and user locations, a lost time injury rate of 0, and an A grade in the SHE management diagnosis (84 points) in 2023. We have refined our SHE Master Plan from 1.0 to 2.0 with the goal of reaching the Global Top Tier in health and safety levels. In 2024, we aim for Zero C-grade accidents** and maintaining a lost time injury rate of 0.1 by conducting safety culture assessments, introducing a behavior observation process, establishing the Smart Terminal SHE system, and focusing on managing weak points at customer and user locations.

* Score (points)	Grade	Level	Definition
95 or higher	S	Global Top Tier	SHE management system exceeds legal standards
90	A+	Excellent	SHE management system meets legal standards and performs above standards
80	A	Good	SHE management system meets legal standards and follows most procedures
70	B+	Average	SHE management system meets some legal standards but needs improvement in procedure implementation
60	B	Poor	SHE management system meets some legal standards but lacks procedure implementation
Below 60	C	Serious	SHE management system does not meet legal standards

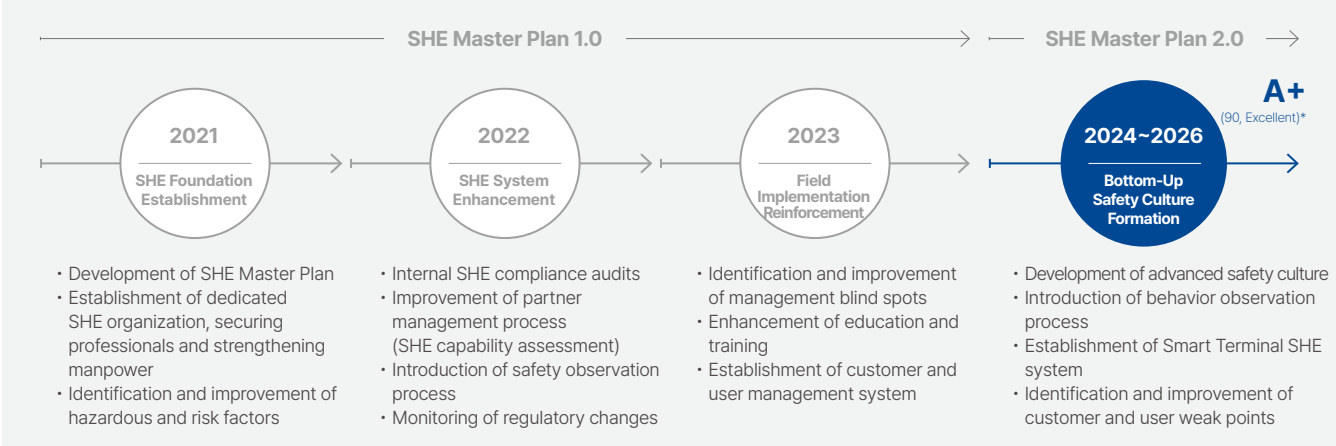
** C-Grade Accident: Injuries causing more than 3 days of lost work, process accidents with losses over KRW 100 million

SHE Master Plan Four Strategies

Category		2021	2022	2023	2024	2025	2026
SHE Management Level Evaluation (5-Point Scale)	Evaluation Goal	3.0	3.8	4.0	4.25	4.5	4.5
	Evaluation Result	3.0	3.6	4.2	-	-	-
Autonomous Safety Culture	Establishment of self-diagnosis system	Constructed	Diagnosed				
	Development of management indicators and performance linkages	Developed	Linked				
	Establishment of R&R by hierarchy and operation of communication	Established	Communication channel operation				
SHE Capability Enhancement	Improvement of training effectiveness	System establishment	Operation of Training Matrix and practical training program				
	Operation of field safety observation system	System establishment	Operation				
	Assurance of safety personnel capabilities	Organization establishment	Development of SHE Specialists				
SHE System Advancement	Reorganization of safety procedures						
	Establishment of PSM*-based implementation management system	Step-by-step optimization application					
	Establishment of SHE Smart System				Advancement of SHE IT system		
Response to Regulatory Changes	Implementation of ISO 45001				Establishment	Implementation	
	Customer and User safety ecosystem establishment	Support for high-risk facility safety			Establishment	Implementation	
	Field safety management implementation and inspection	Advancement of inspection system			High-risk work/themed inspections		

* PSM: Process Safety Management

Health and Safety Roadmap



* SHE Management Diagnosis: Assessment of compliance with regulations, worksite conditions, and process operations (out of 100 points)

Health & Safety

METRICS & TARGET

Health Goals

SK Gas manages health checkup participation as an indicator of employee health management. In 2023, the participation rate for comprehensive health checkups improved by 7.5 percentage points from the previous year, reaching 90.7%. Starting in 2024, we plan to enhance the health of partner company workers by fully covering comprehensive checkup costs for those identified as having health risks. Our health goals include achieving “Zero occupational disease incidence” and operating a “Health Management Diagnosis Program” annually, both of which were accomplished in 2023. Moving forward, we aim to enhance employee health management through milestones in three mid-to-long-term tasks: health risk identification, post-risk management, and transition to a Smart Management system.

Health Checkup Status

Category		Unit	2021	2022	2023
Compre-hensive Checkup	Checkup Target	persons	557	600	643
	Checkup Facilitators	persons	483	499	583
	Participation Rate	%	86.7	83.2	90.7
Special Checkup	Checkup Target	persons	33	87	109
	Checkup Facilitators	persons	33	87	109

Health Management Milestones

Category	Details	2021	2022	2023	2024	2025	2026
Health Risk Identification	• Comprehensive analysis of health diagnosis data - Identification of vulnerable diseases by gender, age, and workplace - Selection of high-risk groups based on abnormal findings						
	• Investigation of health hazards - Analysis and ergonomic improvements of musculoskeletal burden tasks - Measurement of job stress index and analysis of high-risk items						
Post-Risk Management	• In-depth management of high-risk groups - Strengthened health consultations and follow-up examinations of risk groups						
	• Health awareness and promotion activities - Formation of healthy habits and 24-hour AI consultations through a health management platform						
Smart Management System Transition	• Strengthening the capabilities of health managers - Designation of dedicated health personnel						
	• Health management diagnosis of business sites - Evaluation of health management levels and identification of areas for improvement - Identification and management of risks, compliance with regulations, and health promotion activities						
	• Establishment of a health system - Management and monitoring of health data for individuals with abnormal findings through the Smart Terminal system						

Human Values | Human Resources Management

GOVERNANCE

SK Gas strives to create a “Happy High-Performance Organization.” This concept, aligned with our SUPEX Company objectives, defines an organization where “happy, warm professionals create growth and company performance through joyful immersion.”

To achieve this, we secure talent through strategic recruitment that aligns with our talent profile and business model.

We also objectively assess individual performance and capabilities, supporting employee happiness, engagement, and skill enhancement.

Employee Growth System



STRATEGY

Human Resources Management Strategy

To realize the vision of becoming a Net Zero Solution Provider in the global market, SK Gas aims for a high-performance organization. We focus on optimizing resources and supporting growth so employees can achieve both performance and personal growth through happiness and engagement.

Talent Acquisition

SK Gas, based on the ideal of “warm professionals,” considers the required capabilities for new business initiatives and the status of departmental tasks to strengthen organizational competitiveness by securing outstanding talent. Through systematic HR and recruitment processes, we fairly and rationally select talent, adhering to principles of nondiscrimination and diversity enhancement in recruitment, evaluation, and placement.

[Go to \[Ideal Talent Attributes for SK Gas\]](#) ----->

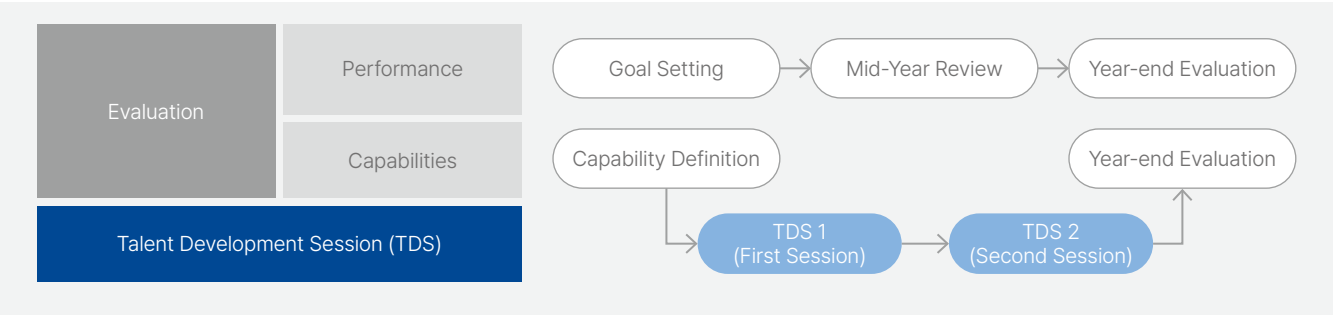
Talent Evaluation

We conduct annual evaluations of individual performance and capabilities, linking them to fair compensation and actively supporting employee growth through continuous diagnostics and reviews.

Performance is evaluated at the task level, with goals set at the beginning of the year through agreements with leaders, and progress monitored and discussed in mid-year reviews. Capabilities are discussed twice a year during the company-wide Talent Development Session (TDS), based on predefined required capabilities for each organization. The TDS, a unique system of SK Gas to support employee growth, involves leaders diagnosing individual capability levels and determining development directions. Additionally, through 1:1 feedback, employees and leaders share and discuss specific action plans.

The annual performance review and TDS results form the basis for year-end evaluations, ensuring fairness through review by divisional and companywide committees.

Annual Evaluation Process



Human Values

Human Resources Management

STRATEGY

Talent Development

SK Gas is operating a talent development program based on business transformation and competency matrix to become a Net Zero Solution Provider. We support employee capability development in three key areas: ① Enhancing Business Expertise, ② Promoting Self-Directed Capability Development, and ③ Cultivating Core Talent.

Key Capability Development Programs

Category	Program Title	Participants
Enhancing Business Expertise	Job Training Support	Support for job-specific training to improve work capabilities
	CDS Development	Three-stage training (mySUNI learning, offline learning, mini projects) to enhance digital capabilities
	Onboarding for New Hires	Onboarding program to increase new hires' understanding of our business for early productivity
	New Leader Course	Implementation of the Performance Supporting Session (PSS) program to enhance leadership and management skills
	Certification Acquisition Support	Financial support for obtaining job-related certifications to improve job capabilities
Promoting Self-Directed Capability Development	mySUNI	Online learning platform with various topics such as job knowledge, AI/DT, and more, providing selfdirected learning opportunities based on employee needs
	Language Education Support	Opportunities for language education via phone/video to improve foreign language speaking skills through self-directed learning
Cultivating Core Talent	Core Talent Programs (Targeted by Position)	Participation in group-wide management development programs (FLP, WLP, etc.) to cultivate next-generation leadership capabilities
	Support for Domestic and International Degrees	Provision of specialized educational opportunities for selected employees based on capabilities and growth potential to develop core talent

Human Values

Human Resources Management

STRATEGY

Work-Life Balance

SK Gas aims to create a happy high-performance organization, believing that employee happiness leads to engagement and ultimately to performance. A key foundation of employee happiness is “work-life balance,” which we support through ㉠ family support systems and ㉡ flexible working hours. By enabling employees to enjoy a happy life with their families while fostering a stable environment for increased work engagement, we aim to create a virtuous cycle.

Family Support Systems and Flexible Work Arrangements

SK Gas complies with legal working hour standards. We continuously improve policies and working conditions to help employees achieve work-life balance and maximize their abilities. In 2023, we achieved an 88% participation rate in flexible work arrangements, excluding roles where flexible hours are not feasible due to scheduling constraints. In 2024, we will adjust our goals to account for the number of employees in roles unsuitable for flexible work and strive to maintain an 88% participation rate in flexible work arrangements by 2025, allowing more employees to work in a more autonomous environment.

Flexible Work Participation Rate					(Unit: %)
Category	2022	2023	2024	2025	
Flexible Work System Participation Rate*	87	88	88	88	

* Excluding essential on-site role

Work-Life Balance Support Programs

Category	Details
Family Support Systems	<ul style="list-style-type: none">• Maternity Protection and Work-Family Balance<ul style="list-style-type: none">- Implementation of systems such as maternity leave, parental leave, and reduced working hours during childcare according to relevant laws.
	<ul style="list-style-type: none">• Support for Workplace Daycare<ul style="list-style-type: none">- Support for using affiliated childcare centers near the company
	<ul style="list-style-type: none">• Providing Tuition for Children<ul style="list-style-type: none">- Provision of entrance congratulatory funds and tuition support for children without limitation on the number of children
Flexible Work Arrangements	<ul style="list-style-type: none">• Family Health Support<ul style="list-style-type: none">- Health checkup support including spouses- Medical expenses and vaccination support for direct family members of employees and spouses- Medical expense support for serious/incurable diseases
	<ul style="list-style-type: none">• Flexible Work System<ul style="list-style-type: none">- Employees plan and execute their working hours autonomously within the monthly working hour limit.
	<ul style="list-style-type: none">• Offsite Distributed Work (Telecommuting)<ul style="list-style-type: none">- Flexible response to unexpected situations such as childcare through offsite distributed work arrangements.
	<ul style="list-style-type: none">• Mobile Office<ul style="list-style-type: none">- Operation of a mobile office in Seoul to support employee engagement and smart work.


Simtness Service

Since 2020, SK Gas has operated the Simtness service to manage job-related stress and enhance mental health. In 2023, we upgraded the application site and introduced a mobile app to meet employee needs for convenience and specialized counseling.

Parental Leave

To support employee and family happiness, SK Gas actively encourages parental leave and provides a stable work environment for employees returning from leave. To alleviate the burden of childbirth and childcare, we have established a work-family balance manual that includes lifecycle support systems.

Work-Family Balance Manual

Category	Details
 Pregnant Employees	<ul style="list-style-type: none">• Protection of pregnant employees• Fetal examination leave• Reduced working hours during pregnancy
 Employees Before and After Childbirth	<ul style="list-style-type: none">• Pre- and post-natal leave• Spousal childbirth leave• Miscarriage/stillbirth leave
 Employees with Young Children	<ul style="list-style-type: none">• Parental leave• Reduced working hours during childcare
 Others	<ul style="list-style-type: none">• Infertility treatment leave• Family care leave• Company childcare center



Human Values | Human Resources Management

STRATEGY

Labor-Management Communication

SK Gas operates various communication channels, such as "Happy Seed Talk," the Labor-Management Council (Happiness Council), and Town Hall Meetings, to enhance communication between labor and management. In 2023, we introduced "Inter-Connect" to foster understanding between departments.

Happy Seed Talk

Since 2020, SK Gas has implemented "Happy Seed Talk," a platform for free communication between the CEO and employees. As of December 2023, a total of 251 sessions have been held, with 1,654 employees participating.

During these sessions, participants are selected based on their organization and topics of interest, and the suggestions made are actively reviewed and implemented. For instance, the 244th session focused on listening to the concerns of working mothers, leading to plans to expand maternity protection programs.



244th Happy Seed Talk with Working Mothers

Labor-Management Council (Happiness Council)

The Labor-Management Council (Happiness Council) is a worker representation body that plays a crucial role in forming an employee-centric organizational culture. It consists of representatives from both the management and employees. The council meets quarterly to discuss matters related to employee well-being. In 2023, topics such as improving welfare benefits and working conditions were reviewed.

2023 Happiness Council Discussion Topics

Category	Main Agenda	Review Details
2023.1Q	Quarter-Day Leave System	Introduction and implementation of a quarter-day leave system
2023.2Q	Improvement of Medical Expense Support	Introduction of a system supporting up to KRW 50 million for severe/incurable disease treatment
2023.3Q	Raising Domestic Travel Accommodation Costs	Policy change allowing additional accommodation costs with separate approval
2023.4Q	Improvement of Single Assignment Policy	Expansion of housing support for all employees upon relocation
	Reimbursement for Personal Vehicle Use for Work	Establishment of reimbursement standards based on actual distance
2024.1Q	Expansion of Maternity Support Policies	Overall expansion of maternity support policies and improvement of organizational culture
	Splitting of Shift Work Long-Service Leave	Guarantee to use all 5 days at the desired time

Town Hall Meetings

SK Gas holds annual Town Hall Meetings where the CEO directly addresses the current business status, future outlook, salary increases, performance bonuses, and other major issues, engaging in realtime communication with employees. These meetings aim to enhance mutual understanding between management and employees, fostering a culture where the company's vision and employee growth are aligned.

Inter-Connect

Starting in 2023, SK Gas implemented "Inter-Connect" to facilitate knowledge sharing among operational departments. A total of 25 sessions with 47 groups were held, receiving positive feedback (satisfaction score of 4.2/5.0) in satisfaction surveys. During these sessions, groups shared their work and objectives, enhancing interdepartmental understanding, and engaged in Q&A sessions to discuss questions and suggestions. In 2024, Inter-Connect will focus on strengthening field collaboration and supporting the successful execution of new projects.



Human Values

Human Resources Management

RISK MANAGEMENT

SK Gas conducts an annual organizational culture survey, “Culture Survey,” targeting all employees to evaluate employee capability development, growth, and work-life balance policies. The feedback received from the survey is actively utilized to identify improvement tasks and support employee happiness and growth.

Culture Survey Scores

(Unit: points)

Category			2021	2022	2023	Year-over-Year
Capability Development and Growth	Total	Average satisfaction score for competency development and growth-related questions	74.1	70.5	72.3	+1.8
	De-tailed Survey Items	[Effort in capability development] Our employees strive to develop the skills necessary for their jobs	74.6	73.2	74.4	+1.2
		[Employee Growth] Our employees feel that they are developing and growing in their careers while performing their jobs	69.6	67.8	70.1	+2.3
		Total	Average satisfaction score for work-life balance questions	71.6	70.1	71.8
Work-Life Balance	De-tailed Survey Items	[Company] I generally feel happy with my company life	70.1	68.4	70.3	+1.9
		[Life] I generally think my life is happy	75.0	74.4	75.3	+0.9
		[Balance] Our employees achieve a balance between work and personal life	68.7	67.4	68.2	+0.8
		[Expectation] I believe I can be happier in the future at our company	72.4	70.0	73.2	+3.2

METRICS & TARGET

Ensuring Diversity

SK Gas submits annual reports on the status of male and female employees by job type and position, as well as wage status, in accordance with the Ministry of Employment and Labor’s active employment improvement measures. In response to the national policy on expanding female employment, SK Gas achieved a female employee employment rate of 22.7% and a female manager employment rate of 13.5% in 2023, maintaining figures above the industry average. We also exceeded the statutory employment rate for disabled persons of 3.1%, achieving 3.8% in 2023, with a goal of reaching 4%. Going forward, SK Gas will continue to strive to increase the diversity ratio of its employees, including women and people with disabilities.

Employment Status and Goals for Disabled Persons*

Category	Unit	2021	2022	2023	Goal
Number of disabled employees	persons	23	22	25	-
Employment Rate of Disabled Persons	%	4.0	3.6	3.8	4.0

* The number of employees with disabilities was calculated based on the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities, a domestic legal standard.

Talent Development

SK Gas encourages self-directed learning by setting learning hours on the online learning platform mySUNI as a talent development management indicator. We have established a roadmap for employee capability development programs, offering various capability enhancement programs. Additionally, SK Gas supports talented employees by selecting and sponsoring 2-3 employees annually for domestic and international degree programs. In 2023, one employee was supported for a domestic degree and one for an international degree, with plans to support two for domestic degrees and one for an international degree in 2024.

Performance and Goal of mySUNI Learning Hours per Employee

(Unit: hours)

Category	2021	2022	2023	2025
mySUNI Learning Hours per Employee	63.5	70.0	64.1	80

Employee Capability Development Program Roadmap

Detailed Plans	2023	2024	2025
Support for Domestic Degree Programs			→
Support for International Degree Programs			→
Conducting Leadership Programs			→
Support for Employee Capability Development (Language education, certifications, and job-specific training)			→

Human Values | Human Rights Management

GOVERNANCE

Human Rights Management Policy

SK Gas respects the human rights of all stakeholders, including employees, shareholders, investors, partners, customers, local communities, and the environment. We have established a Human Rights Declaration and Human Rights Management Regulations in accordance with international standards*, which have been approved by the CEO. By implementing a systematically operated human rights management system, we proactively prevent and manage human rightsrelated risks. We particularly focus on understanding and respecting the diverse economic, social, and cultural backgrounds of stakeholders. We ensure that human rights are not violated, and that no one is excluded or discriminated against in business processes or decision-making arenas.

Human Rights Management System

To create a foundation that fully reflects stakeholder opinions in human rights management, SK Gas has established a human rights management system. This system helps develop sustainable human rights management strategies and oversee detailed activities.

ESG Committee

The ESG Committee under the Board of Directors identifies various issues related to ESG, including human rights management, and formulates management strategies for the company's sustainable growth. The committee sets goals for ESG activities, monitors detailed implementation plans, activities, and information disclosures.

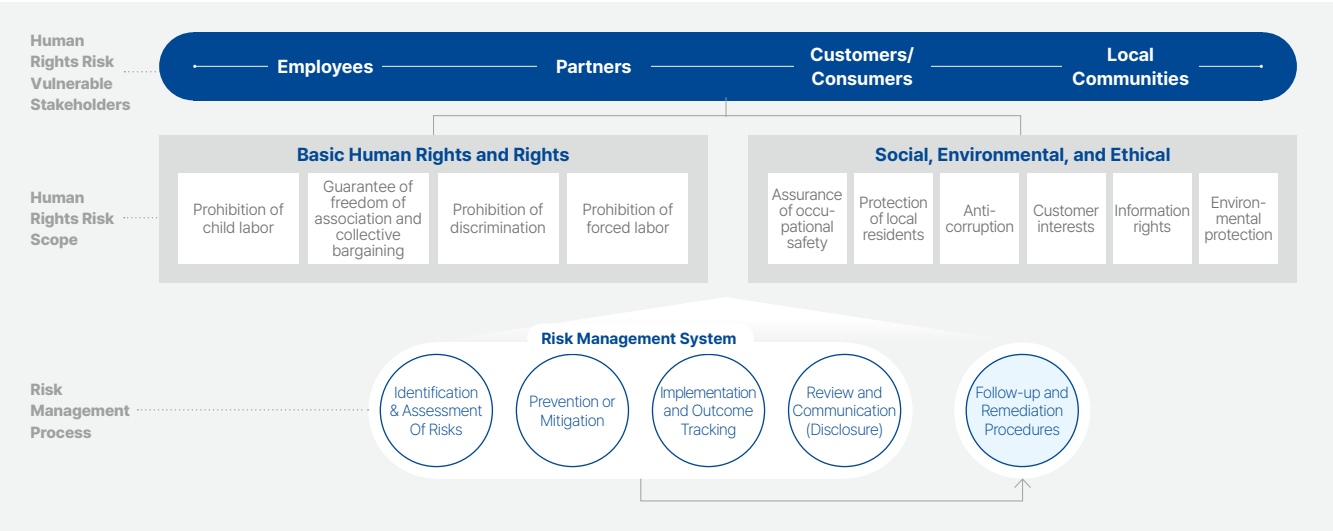
Human Rights Management Committee

The Human Rights Management Committee, under the CEO, is an executive body that oversees the human rights risk management system, establishes and implements response measures for various human rights issues, manages the Human Rights Declaration and Human Rights Management Regulations, and monitors the progress of actions based on human rights impact assessments. The committee also reviews the status of complaints and processing procedures to enhance the effectiveness of human rights grievance and reporting channels.

Human Rights Management Committee Secretariat

The Human Rights Management Committee Secretariat supports the oversight functions of the Human Rights Management Committee. The Secretariat's head oversees the company's human rights management system, and operational organizations establish and manage systems to address stakeholder-specific human rights issues. Additionally, various functional support organizations such as HR, SHE (Safety, Health, and Environment), Legal, and Audit provide practical support.

Human Rights Management System



Organization Chart of the Human Rights Management



* International standards include the Universal Declaration of Human Rights, the International Bill of Rights, the UN Guiding Principles on Business and Human Rights, Core Conventions of the International Labor Organization, OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child ((UNCRC)).

Human Values

Human Rights Management

STRATEGY

Human Rights Grievance Counseling Channels

SK Gas operates various channels to resolve human rights-related grievances for employees and stakeholders. Grievances received are reviewed by the responsible organization according to the whistleblower protection system and grievance handling procedures, and the results are communicated to the whistleblower.

Starting in January 2024, we introduced the “Communication Hotline,” an external human rights grievance counseling and reporting channel managed by Law Firm Jipyong, to strengthen the protection of whistleblower information and ensure transparency and independence in the handling process.

[Go to \[Communication Hotline\]](#) →

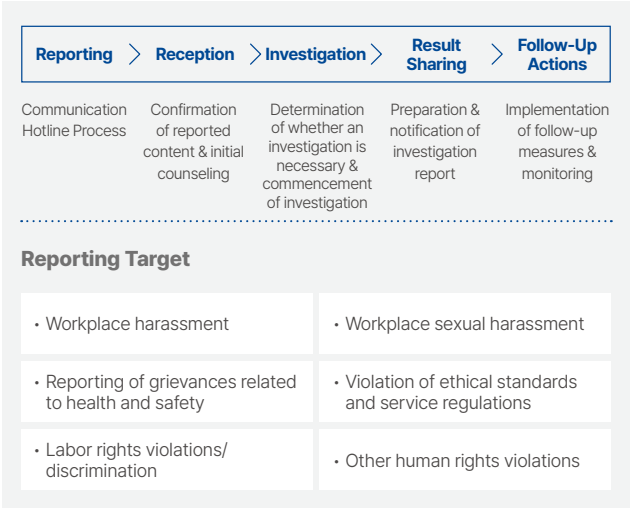
Human rights grievance counseling and reporting channels for each stakeholder

Stakeholder	Online	Offline
Employees	<ul style="list-style-type: none">• [All] Communication Hotline (external reporting)• [All] 1:1 Customer Inquiry Center on SK Gas website	<ul style="list-style-type: none">• Happiness Council• Internal Grievance Handling Committee
Partners	<ul style="list-style-type: none">• [All] SK Ethical Management Reporting	<ul style="list-style-type: none">• Partner council meetings• Partner seminars
Customers	<ul style="list-style-type: none">• [Employees] Integrated Workplace Harassment/Sexual Harassment Reporting Center	<ul style="list-style-type: none">• Customer call center, agency seminars• Meetings
Local Communities	<ul style="list-style-type: none">• [Consumers] SK LPG Membership Customer Center	<ul style="list-style-type: none">• Site-specific Meetings

Human Rights Education

To raise awareness of human rights among employees, SK Gas conducts regular human rights infringement prevention programs and education sessions annually. In 2024, to thoroughly prevent workplace harassment, we conducted case-based “Workplace Harassment Prevention” training for leaders. Participants learned about the criteria for establishing “workplace harassment” and related laws through various case studies and learned effective employee management strategies.

Communication Hotline Operating Process



2023 Grievance Reception and Handling Status (Unit: cases)

Stakeholder	Received	Resolved	Dismissed	Pending
Employees	3	3	0	0
Partners	0	0	0	0
Customers	0	0	0	0
Local Communities	0	0	0	0
Subsidiaries	0	0	0	0

Human Values

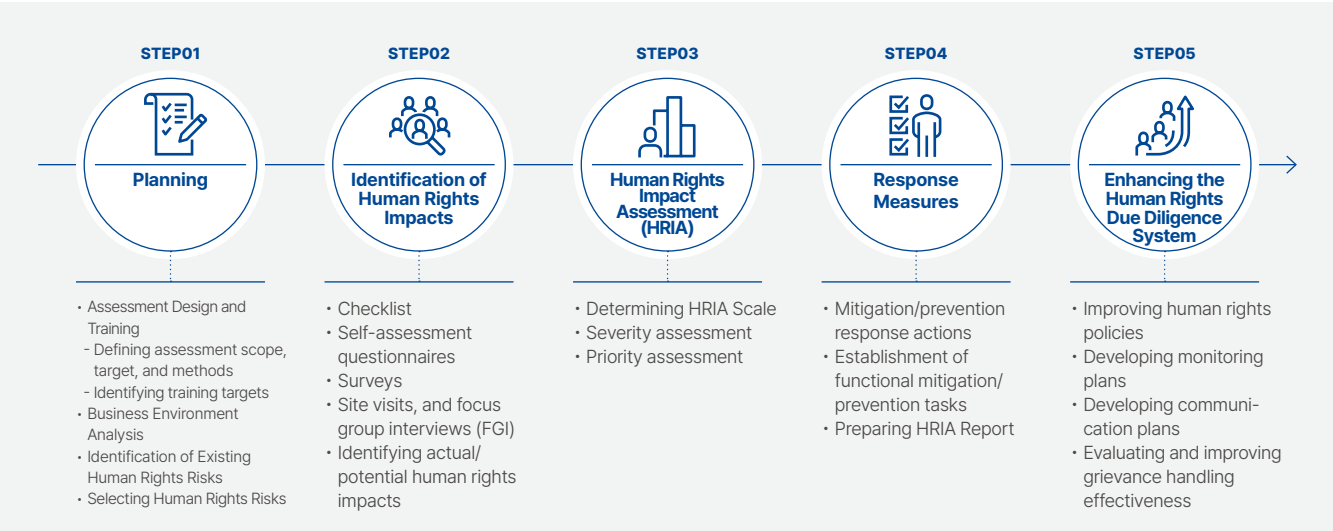
Human Rights Management

RISK MANAGEMENT

Human Rights Impact Assessment Process

Human Rights Impact Assessments (HRIA) identify and evaluate all potential negative human rights impacts that the company may have on stakeholders. This process assesses the severity and likelihood of these impacts to prioritize key human rights issues and develop mitigation or prevention action plans. SK Gas conducts HRIAs based on international standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD guidelines for responsible business conduct. The assessment follows a five-step process: ① Planning, ② Identifying Human Rights Impacts, ③ Assessing Human Rights Impacts, ④ Developing Response Measures, and ⑤ Enhancing the Human Rights Due Diligence System. In 2023, we conducted a project to enhance our HRIA and due diligence system, resulting in the publication of our Human Rights Management Report. We focused on practical improvements by developing a roadmap of mitigation and prevention measures based on the HRIA results, and we monitored the implementation of these measures through the Human Rights Management Committee. In 2024, we expanded the scope of the HRIA and plan to continue conducting these assessments to proactively identify and address potential human rights risks, thereby strengthening our commitment to sustainable management.

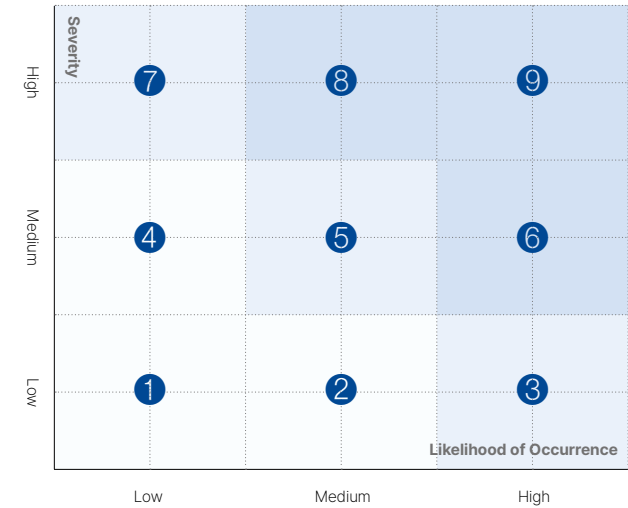
Human Rights Impact Assessment Process



Identifying and Evaluating Human Rights Impacts

SK Gas considers the business value chain to identify all potential negative human rights impacts on stakeholders. In 2023, the Human Rights Impact Assessment (HRIA) covered all SK Gas business sites, storage and distribution partners, sales partners, and the Ulsan community. By referencing international standards such as UNGPs and OECD guidelines, we identified 42 human rights issues based on their severity and likelihood. Among these, 14 issues were prioritized for immediate action based on a priority assessment of 4th level or higher. In 2024, the HRIA scope was expanded to include the headquarters, subsidiaries (SK Advanced), on-site partners, nearby refueling stations, and the Seongnam community.

Human Rights Risk Evaluation Criteria



Human Values

Human Rights Management

RISK MANAGEMENT

Key Human Rights Issues and Response Measures

Through the Human Rights Impact Assessment (HRIA), we identified 14 key human rights issues and developed response measures. These measures are classified into short-term, mid-term, and longterm tasks, with implementation plans to ensure ongoing actions. In 2023, out of 36 response measures for identified human rights issues, 29 were completed. The remaining 7 mid-term and long-term tasks are on track to be completed by 2025, with progress being regularly monitored.

Key Human Rights Issues and Response Measures

Category	Response Measures	Achievement Timeline
Prohibition of Workplace Harassment and Sexual Harassment	<ul style="list-style-type: none">Development of policies to protect whistleblowers and victims of workplace harassment and sexual harassment from retaliation and secondary harmDetailed policies and preventive measures for various types of secondary harm, along with employee training	• 2024 Q4(Short-term)
Respect for Privacy in CCTV Use	<ul style="list-style-type: none">Implementation of consultation procedures with the Happiness Council before installing new CCTV in the workplaceExplanation of CCTV installation standards and locations to employees and on-site partners	• 2024 Q4(Short-term)
Strengthening Human Rights Education and Grievance Procedures in the Supply Chain	<ul style="list-style-type: none">Human rights management education for internal partners, transportation companies, and refueling station staffDistribution of human rights management educational materials and grievance channel information to internal partners, transportation companies, and refueling stations	• 2024 Q4(Short-term)

METRICS & TARGET

SK Gas has set HRIA and human rights education as human rights management indicators, with midand long-term goals to internalize human rights management by 2024 and to enhance and establish the human rights management system by 2025.

Human Rights Impact Assessment Roadmap

Stakeholder	2024	2025	2026	2027~
Company	SK Gas			
Subsidiaries	Domestic Subsidiaries (SKA)	Domestic Subsidiaries (LNG, etc.)	Overseas Subsidiaries	Discovering new businesses and ideas
Partners	Resident Partner Companies (All Sites)	Transportation Partners	External Key Partners	Overseas Partners (Production/ Trading/ Transportation)
Customers	Automobile Refueling Stations		Propane Refueling Stations	
Consumers			PG Vehicle Customers	Industrial/ Petrochemical LPG Customers
Local Communities	Seongnam	Pyeongtaek		

Human Rights Education Goals

(Unit: hours)

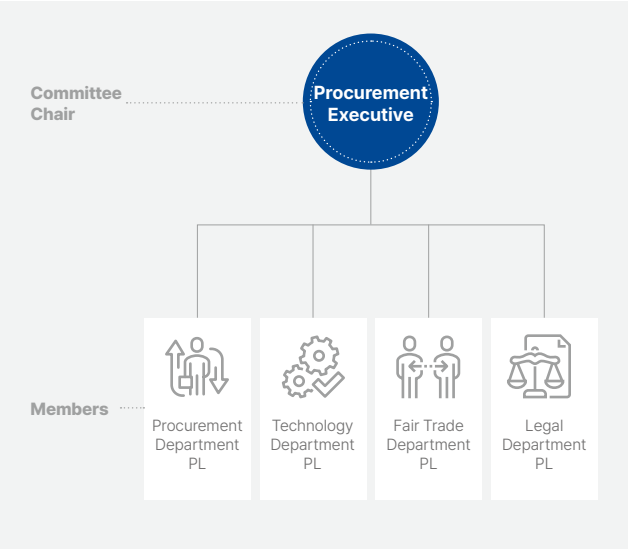
Category	2024	2025	2026
Human Rights Education Hours per Person	4.0	4.3	4.5

Responsible Business | Supply Chain Management

GOVERNANCE

In response to stakeholder demands for sustainable management and changes in domestic and international supply chain regulations, SK Gas has established and implemented a supply chain ESG management system. The departments responsible for procurement, technology, fair trade, and legal affairs manage the supply chain. To conduct transparent purchasing work by reviewing the appropriateness of supplier selection and preventing unfair trade practices, an internal review committee led by the procurement executive reviews solesource contracts over KRW 500 million and competitive procurement cases over KRW 1 billion. In 2023, the committee reviewed a total of 20 cases.

Organization Chart of the Supply Chain Management



STRATEGY

Supply Chain Sustainability Management Policy

SK Gas has set three key directions to manage supply chain sustainability: We have established a Code of Conduct and guidelines for our partners, making it mandatory for all partners to comply with these requirements, which are specified in contracts. In addition, we conduct ESG evaluations focusing on key partners to continuously monitor and manage supply chain sustainability risks. We operate various financial and non-financial shared growth programs to promote sustainable growth with our partners. To minimize resource waste and environmental impact, we have institutionalized green procurement policies within our procurement management regulations. We aim to create a socially responsible procurement environment by purchasing products with eco-friendly certification marks.

[Go to \[Partner Code of Conduct\]](#) ----->

[Go to \[Partner Code of Conduct Guidelines\]](#) ----->

Supply Chain Sustainability Management Policy



Partner Communication and Grievance Counseling Channels

SK Gas operates an ethical management channel to listen to and resolve the grievances of partner employees. The responsible department verifies the received grievances, takes prompt and proactive measures, responds, and ensures follow-up management. The personal and company information of whistleblowers is strictly protected.

[Go to \[Ethical Management Channel\]](#) ----->

Responsible Business

Supply Chain Management

STRATEGY

Shared Growth with Partners

SK Gas conducts SHE (Safety, Health, Environment) evaluations and ethical management assessments when registering new partners and signing contracts with existing partners. We also monitor the financial and non-financial risk factors of partners in real time through credit rating agencies. Each contract requires the implementation of the Partner Code of Conduct. Additionally, we provide various financial and non-financial support to improve ESG awareness and strengthen the capabilities of our partners.

[Go to \[Partner SHE Evaluation\]](#) >

Financial Support

Under the SK Group and IBK Industrial Bank of Korea co-growth agreement, SK Gas offers special interest rate reductions to small and medium-sized partners. We aim to improve partners’ cash flow by paying invoices 100% in cash within 10 days of issuing a tax invoice. In 2023, we supported stable management activities of partners by making payments within an average of 6.2 days.

Non-Financial Support

SK Gas hosts the “CEO Seminar on Shared Growth” more than four times annually to provide global trends, domestic and international economic forecasts, IT, and humanities lectures necessary for partner CEOs. Starting in 2024, we will upgrade the existing Co-Growth MBA program to the Shared Growth Team Leader Leadership School for middle managers of partners, educating them on expected roles and necessary competencies.

Additionally, we provide training in six areas, including ESG and management, through our online learning platform, mySUNI, to support the growth of our partners’ employees. Safety and human rights education is also available to first-tier partners and other second- and third-tier partners wishing to receive training.

Shared Growth Roadmap for Partners

Program		Overview	2023	2024-2026	2027
Financial Support	Partner Payment	• Payments are made in cash within 30 days to alleviate financial burdens, despite subcontracting laws allowing up to 60 days.	Within an average of 6.2 days	Within 10 days	Within 10 days
	Partner Shared Growth Fund	• Interest rate reduction program under the “SK Group and IBK Co-Growth Cooperation Agreement for Joint Support of SK Group Partners,” targeting outstanding partners.	-	30% or more of QUOTA	50% or more of QUOTA
Non-Financial Support	CEO Seminar on Shared Growth	• Promotes the culture of creating social value for co-growth and sustainable development • Enhances communication and business insights with partner CEOs. • Extended offline seminars	7 sessions (5 online/2 offline)	4 sessions/year (online and offline)	4 sessions/year (online and offline)
	Shared Growth Team Leader Leadership School	• Training course for middle managers on expected roles and necessary competencies (new in 2024)	-	1 session/year	1 session/year
	Online Education Platform	• Expansion of mySUNI platform to include all partners wishing to receive education, initially focusing on ESG key management partners	7 employees of partners	All partners wishing to receive education	All partners wishing to receive education
	Partner Meetings	• Regular meetings to seek shared growth with our partners, listen to their concerns, and address them	1 session/site	1 session/site	1 session/site
	Partner Safety Education	• Safety-related training and consulting for first-tier partners but also second- and third-tier partners, conducted continuously	Continuous	Continuous	Continuous
	Partner Human Rights Training	• Human rights training for not only first-tier partners but also second- and third-tier partners	1 session	1 session/year	1 session/year

Responsible Business

Supply Chain Management

RISK MANAGEMENT

Partner ESG Evaluation

SK Gas prioritizes the management of primary partners who play a crucial role in our business operations. These key partners are classified based on transaction volume, transaction frequency, sales revenue, and number of employees. Each year, we evaluate ESG risks across 66 items, covering areas such as environment, health and safety, human rights, labor, ethics, and governance. This proactive assessment helps us identify and manage risks early.

For high-risk partners, we provide coaching, consulting, and audits to suggest improvement directions and action plans. We also receive and monitor improvement implementation plans to ensure ongoing progress.

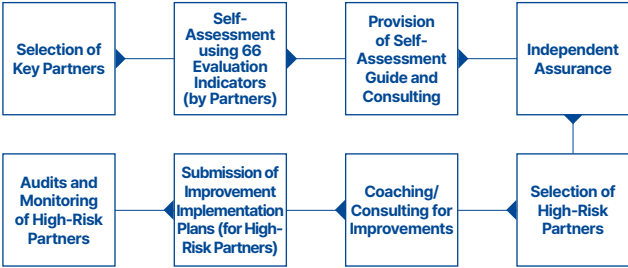
Partner ESG Risk Evaluation Indicators

Area	Major Category	Sub-Category
Environment (26 items)	Environmental Management	Environmental Management Control
	Eco-Friendly Opportunities	Product Environmental Impact
	Climate Change Response	Greenhouse Gas Emissions, Energy Consumption
	Pollution Prevention and Waste Management	Waste Management, Hazardous Substances Management, Air Pollutants
Social (27 items)	Natural Capital	Soil, Noise, Vibration, Odor, Raw Materials, Water Resources Protection
	Social Goals	Social Goal Management
	Human Capital	Information Protection, Human Rights, Health and Safety, Labor
	Products/Customers	Conflict Minerals
	Partners	Partner Management, Fair Trade
Governance (13 items)	Local Communities	Social Contributions
	Corporate Governance	Information Disclosure, Management Systems, Audit
	Corporate Behavior	Ethical Management

Partner Evaluation Results and Support Measures

In 2023, we conducted ESG risk assessments for 15 key partners and 3 voluntarily participating partners. High-performing partners received incentives such as a 2% interest rate reduction and exemption from performance bond submission. For high-risk partners willing to undergo consulting, we provided ESG-related education and improvement programs.

Partner ESG Risk Evaluation Process



Key Partner ESG Risk Evaluation Results (Unit: companies, %)

Category	Key Partners	High-risk Partners	High-risk Ratio
2022	16	16	100
2023	15*	4	26.7

* Data adjusted based on revised criteria from 2023, which include annual sales over KRW 1 billion and more than 10 employees, for key managed partners.

Consulting/Coaching Status

Category	Performance
Consulting of Korea Chamber of Commerce and Industry	6 partners
Consulting of Shinhan ESG	10 partners
Coaching	2 sessions

METRICS & TARGET

Starting in 2023, SK Gas expanded the scope of partner ESG risk assessments to all business sectors. From 2024, the proportion of key partners categorized as high-risk or near highrisk will be set as a KPI for relevant departments, ensuring continuous enhancement of supply chain ESG management. Additionally, we plan to effectively implement the shared program roadmap to support the sustainable growth of our partners and practice shared growth management.

Partner ESG Management Diagnosis Roadmap

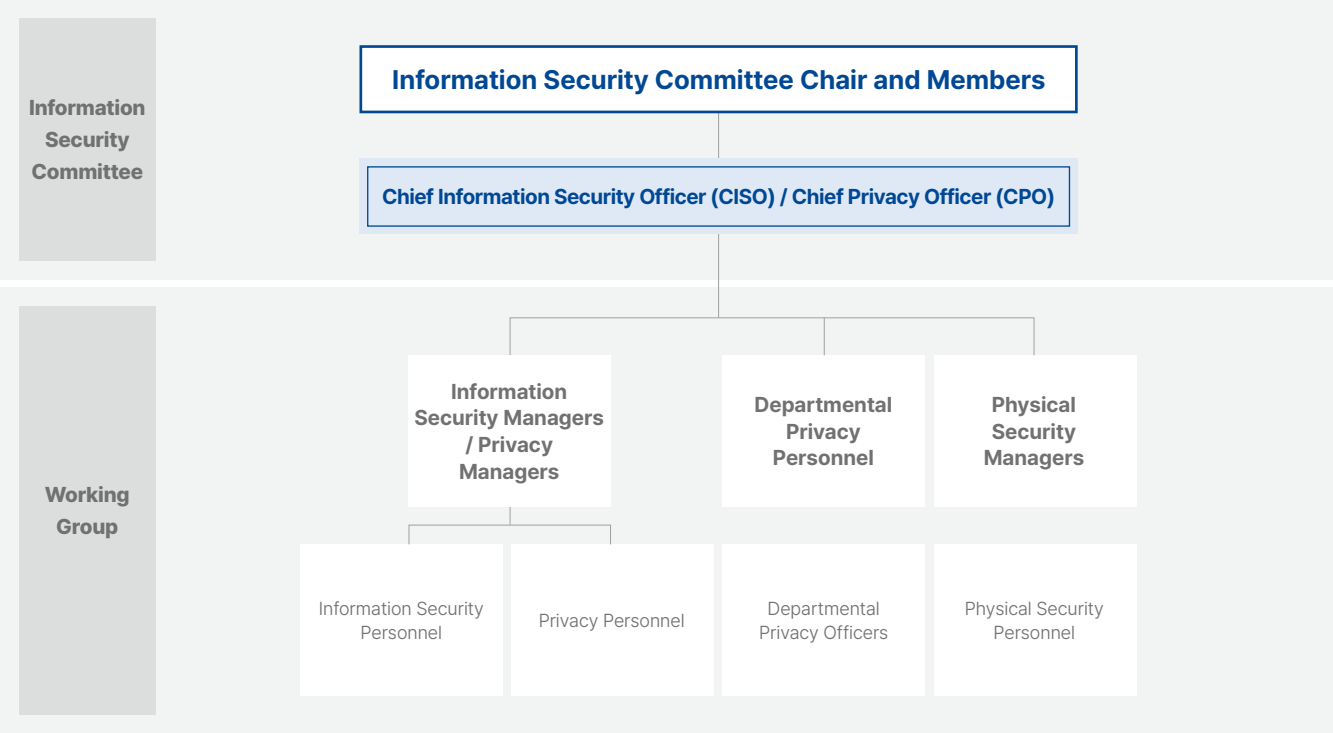
Category	2021	2022	2023	2024~
Target for Partner ESG Management Diagnosis	LPG Facility Construction Partners	LPG Facility/ Equipment Suppliers		All Partners

Responsible Business | Information Security

GOVERNANCE

To ensure the protection of company information, SK Gas has appointed a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO) and operates an information security organization in collaboration with related departments. The CISO, who also serves as the CPO, is appointed in accordance with Article 45-3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, and possesses expertise in information protection and privacy. The CISO is responsible for overseeing the company's security management, information protection, and privacy protection. Furthermore, to discuss common issues and tasks among the organizations performing information securityrelated work, SK Gas operates a bi-annual security working group composed of security practitioners and an annual Information Security Committee composed of the CEO and executives.

Organization Chart of the Information Security



STRATEGY

Information Security Strategy

SK Gas has established an information security strategy based on information security policy and corporate data and customer information leakage prevention process. Each year, we formulate and implement an information protection plan that includes forming an information protection organization, enhancing capabilities, expanding management systems, improving vulnerabilities, and preventing security incidents. In compliance with Article 39-9 of the Personal Information Protection Act, we have taken out liability insurance for personal information protection and have established response processes for suspected information breaches to thoroughly prevent information security risks during business operations. In 2024, we plan to expand the scope of information security management to overseas subsidiaries and enhance our information security capabilities.

2024 Information Security Plan

Formation and Capability Enhancement of Information Security Organization <ul style="list-style-type: none">Appointment of a dedicated Chief Information Security OfficerStrengthening inter-organizational collaboration systems	Expansion of Information Security Management System Governance <ul style="list-style-type: none">Promoting the spread of security infrastructure and enhancing management levels for overseas subsidiaries, affiliates, and investment companies
Risk Assessment and Vulnerability Improvement <ul style="list-style-type: none">Regular inspections and improvements of vulnerabilities in systems, networks, and PCsAutomation of confidential leakage indicators and log monitoring	Monitoring and Prevention of Security Incidents <ul style="list-style-type: none">Managing hacking risks for external services through penetration testingRegular inspections of partners and subcontractorsMonitoring signs of information leakage

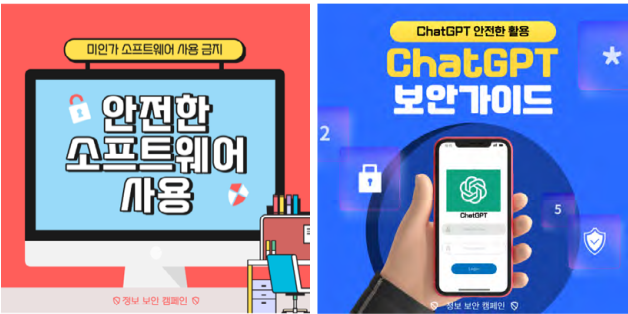
Responsible Business

Information Security

STRATEGY

Information Security Campaigns

To enhance employees’ awareness of information protection, SK Gas conducts quarterly information security campaigns. In 2023, we provided guidelines for using secure software and ChatGPT, and informed employees about recent attack trends and countermeasures, such as phishing through common messengers and credential stuffing* attacks.



Information Security Campaigns

* Credential Stuffing: A technique where login information (IDs and passwords) leaked from other sources is randomly applied to different websites or apps. If login is successful, the attacker's goal is to access and exploit the victim's information

Information Security Training

SK Gas conducts annual information security training for all employees. In 2023, all employees completed online courses covering personal information protection, industrial security, and information protection.

RISK MANAGEMENT

ISMS-P Certification

In 2023, SK Gas obtained the Personal Information & Information Security Management System (ISMS-P) certification for the “SK LPG Membership Service,” verifying our security levels by checking our information protection management system, analyzing information services and personal information processing, diagnosing vulnerabilities, and establishing and implementing action plans. We plan to maintain the certification and continuously improve our management system through annual policy reviews, status checks, and risk assessments.

Simulated Training

To enhance security awareness and prevent damage from malicious and phishing emails, SK Gas conducts biannual simulated malicious email drills. These drills involve sending emails containing malware or links to all employees and verifying their response, such as whether they open the email and how they report it if infected. We also conduct scenario-based simulated hacking drills and company-wide system vulnerability checks to prevent information breaches.

Partner and Subcontractor Inspection

To prevent personal information leaks through partners or subcontractors, SK Gas regularly inspects their security status. We identify and rectify deficiencies in 40 items across five key areas, including unauthorized use, destruction of personal information, and security measures. Additionally, we conduct quarterly checks for signs of information leaks and ongoing monitoring of information leaks from former employees.

METRICS & TARGET

Following the annual activity plans of our midto long-term master plan, we aim to operate a stable information protection management system.

Information Security Master Plan

Category	Measurement Method	2023	2024	2025	2026
ISMS-P Certification	Certification Maintenance	Acqui-sition	Main-tenance	Main-tenance	Renewal
Information Protection Disclosure	Disclosure Implementation Rate (%)	100	100	100	100
Management System Operation	Execution Rate (%)	100	100	100	100
- Annual Plan Establishment/ Execution	Reporting to management (1 report/year)				
- Risk Identification and Corrective Measures	Certification Maintenance				
- Information Security Training	Completion Rate (%)	100	100	100	100

Responsible Business

Product Liability and Services

GOVERNANCE

As an LPG B2B supplier, SK Gas focuses on enhancing LPG quality management and ensuring the safety of customers and users. We operate Quality Control (QC) and Quality Management (QM) organizations to conduct quality inspections from the introduction to the storage and sale of LPG, adhering to quality standards. Additionally, to provide professional safety management services to customers and users, we established the Safety Technology Group under the Safety, Health, and Environment (SHE) Task Force at the end of 2022, strengthening governance for LPG quality and safety management for our customers and users.

[Go to \[LPG Quality Standards \(MSDS\)\]](#)

[Go to \[Customers and Users Health and Safety\]](#)

Customer and User Rights Protection Policy

Strategy	Enhancing LPG Quality Management	Customers and Users Safety Management
Tasks	<ul style="list-style-type: none">Regular inspections and management of products at Ulsan, Pyeongtaek, and charging stations every month	<ul style="list-style-type: none">Reinspection and regular safety checks of specific equipmentImprovement of outdated LPG facilitiesTraining and education for safety officersOperation of safety management systems
Objectives	Achieving 100% compliance with legal quality standards for products	Achieving 100% completion of customers and users management plans

STRATEGY

SK LPG Membership

SK Gas enhances customer satisfaction by providing services focused on convenience. We conducted a satisfaction survey targeting 1-ton truck users and have incorporated the feedback into our business.

Based on the survey results, we simplified the existing membership process and launched the “SK LPG” app, offering various benefits such as easy payment and incentives. We aim to attract 33,000 members for the “SK LPG Membership” by actively gathering customer feedback and upgrading our services.

Benefits of SK LPG Membership

Category	Details	Expected Effect
SK LPG Application Registration	KRW 3,000 voucher for new members of SK LPG Application	Attracting new customers through the first charging experience
Happy Stamp	Mobile exchange coupons (coffee/convenience store/food and beverage, 14 franchises)	Lock-in membership customers
Muffin Points	1% Muffin Points collecting, higher than before	

Consumer Satisfaction Enhancement Programs

We handle customer complaints according to our customer grievance handling procedures and safety service procedures for customers and users, as well as our Code of Ethics and Anti-Corruption Management System. Customers can file complaints through various channels, including the SK Gas website (Customer Support), the ethical management reporting site, and the SK LPG Membership

Customer Center. In 2023, we received a total of 8,534 inquiries through the SK LPG Membership Customer Center, including 8,485 general complaints and consultations, and 49 related to charging station Customer Service (CS). We achieved a 100% resolution rate by implementing improvements such as facility maintenance and training.

Furthermore, in response to requests for enhanced professionalism and management of safety inspection and reinspection history during customers and users meetings in 2023, we changed Business Partner’s (BP’s) short-term contracts to multi-year contracts to provide stable services and strengthen safety management expertise for customers and users. Reflecting social expectations and customers and users requests regarding health and safety, since 2022, we have strengthened the improvement of outdated facilities at LPG customer sites. We also distribute emergency response scenarios and support emergency dill during safety inspections to enhance customers and users safety management levels. Additionally, we support training for the Serious Accident Punishment Act, including the duties of safety officers.

Customer Grievance Handling Status (Unit: cases, %)

Channel	Received	Resolved	Dismissed /Rejected	Resolution Rate
SK LPG Membership (for LPG vehicle customers)	8,534 (General 8,485, Charging station CS 49)	8,534	0	100
Customer Support	141	141	0	100

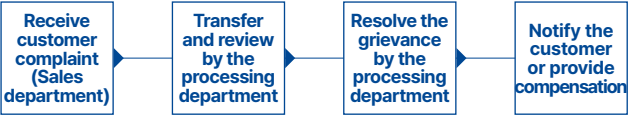
Responsible Business

Product Liability and Services

RISK MANAGEMENT

SK Gas monitors customer complaints and grievances related to product and service use and processes them according to the “Customer Grievance Handling Procedures.” Customer grievances are categorized into volume, delivery time, quality, and facilities. Each category is handled by the respective department: Sales (volume/delivery time), Quality Control (QC) (quality), and Safety Technology Group (facilities) for systematic responses.

Customer Grievance Handling Procedure



METRICS & TARGET

From 2021 to 2023, SK Gas achieved a 100% compliance rate with quality inspection (legal requirement standards). We aim to maintain this rate continuously by systematically implementing a product quality management roadmap.

Compliance Rate with Quality Inspection (Legal Requirement Standards) and Goals

Category	Unit	2021	2022	2023	2024	2025	2026
Quality Inspection (Compliance Rate with Legal Requirement Standards)	%	100	100	100	100	100	100

Product Quality Management Roadmap

Category	2023	2024	2025	2026
Introduction/Storage/Shipment Product Inspection	Quality control of introduced products (written report inspection, sampling inspection) and continuous regular inspection of stored products			
Quality Inspection (Legal Requirement)	Manage the timing of quality inspection changes (regulatory standard) during transition periods (summer: April-October, winter: November-March), Continuous execution of quality inspections by the Korea Petroleum Quality & Distribution Authority			

Community Engagement

GOVERNANCE

SK Gas aims to achieve a balance and harmony of happiness among stakeholders, considering both present and future happiness for long-term sustainability. We strive to grow together with the local community by contributing to environmental protection, job creation, and improving the quality of life. Under this philosophy, our social contribution projects are led by the dedicated ESG Operations Group, with major decisions reviewed and approved by the ESG Committee under the Board of Directors.

Organization Chart of the Social Contribution

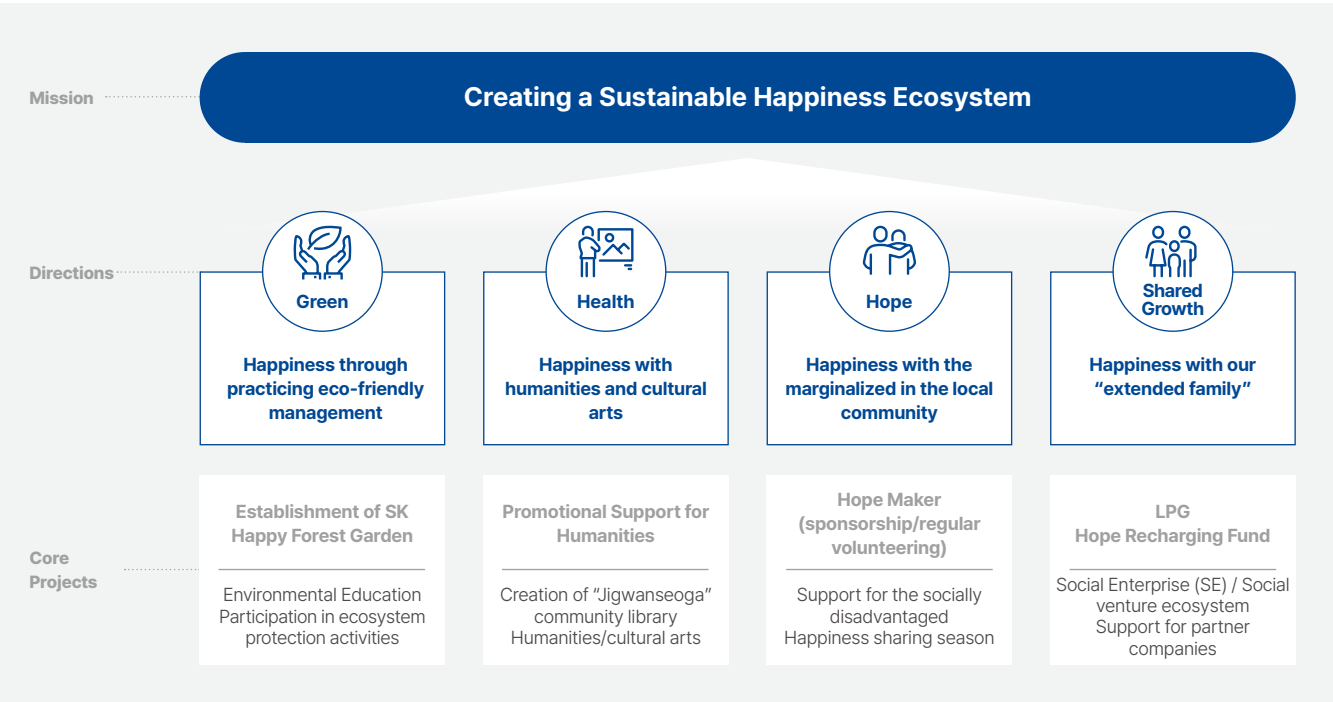


STRATEGY

Social Contribution Strategy

SK Gas's community contribution projects are driven by four pillars: Green, Health, Hope, and Shared Growth, aligned with the UN Sustainable Development Goals (SDGs). These projects are tailored to the characteristics of each business site and region. We also extend the scope of human rights impact assessments to the local community, actively listening to the opinions of local residents and environmental groups and reflecting these in our social contribution initiatives.

Social Contribution Strategy





Community Engagement

STRATEGY

Expansion of Eco-Friendly Initiatives in the Community (Green)

To contribute to the protection of the global environment, SK Gas is conducting environmental education projects and endangered species conservation projects, focusing on the Ulsan area where our business is located. In 2024, we contributed to resource recycling through idle asset donation activities.

Happy Green School Project

Since 2012, SK Gas employees have been conducting the "Happy Green School" program, providing environmental education to students. Employees who have completed an internal teacher training course and received certification, visit elementary schools to educate students on the value of environmental protection, practical methods, and eco-friendly technologies. Using selfdeveloped board games, the lessons are tailored to the students' level, contributing to raising their environmental awareness.



Happy Green School textbook screen

Donation of Idle IT Assets

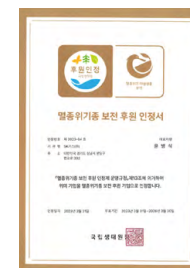
In 2023, due to the cloud migration of our internal systems, SK Gas donated 106 units of idle IT infrastructure assets to "Happy ICT," a social enterprise, in 2024. Happy ICT employs people with disabilities to refurbish and sell these donated IT assets through processes such as sorting, dismantling, and assembling, with part of the proceeds used for public welfare. Through this partnership, Happy ICT will use items equivalent to the valuation of assets donated by SK Gas for the "Hope Maker School," an educational program for underprivileged children. By donating idle items, SK Gas created a positive cycle of sharing, contributing to environmental protection through recycling, creating jobs for people with disabilities, and maintaining employment, thus generating social value.



Happy ICT, IT Infrastructure Equipment Donation

Endangered Species Conservation Sponsorship Recognition System

In August 2020, SK Gas signed a memorandum of understanding with the National Institute of Ecology for ecosystem conservation and social value creation. This initiative began with the management of the habitat of flying squirrels living upstream of the Taehwa River in Ulsan and expanded to the publication and distribution of environmental books and ecological exploration projects. In 2022, the environmental book publication project was extended to Seocheon County in Chungcheongnam-do and Seongnam in Gyeonggi-do. Due to these efforts, in 2023, SK Gas received the Endangered Species Conservation Sponsorship Recognition Certificate, awarded to companies contributing to the activation of endangered species conservation.



Endangered Species Conservation Sponsorship Recognition Certificate



Endangered Species Conservation Sponsorship Recognition Certificate Delivery Ceremony



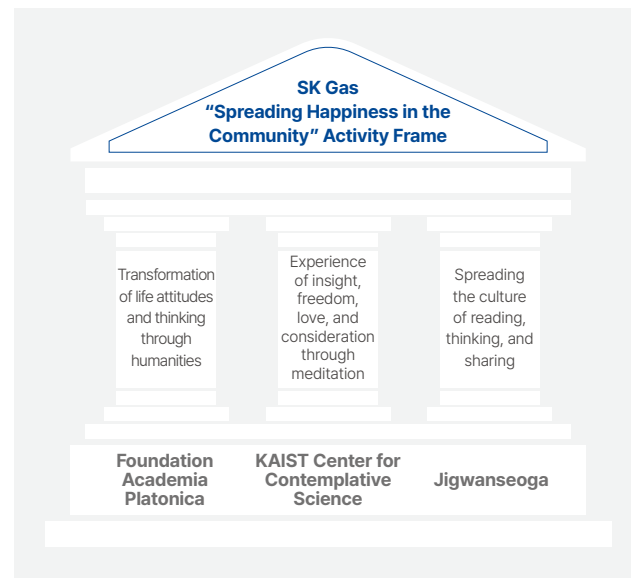
Community Engagement

STRATEGY

Spreading Happiness in the Community (Health)

SK Gas actively promotes humanities-based social contribution projects, including the Foundation Academia Platonica, the KAIST Center for Contemplative Science, and Jigwanseoga, aiming to spread humanities, maintain individual mental health, and build cultural infrastructure in the local community.

Humanities-Based Social Contribution Activities



Humanities Education: Foundation Academia Platonica

To promote “Reflective Humanities,” which seeks universal human spirit and excellence of character, SK Gas supports the Foundation Academia Platonica. The foundation is the first pure humanities research support foundation in Korea, established to form and spread values related to happiness. Its projects are divided into two categories: in-depth humanities projects and humanities dissemination projects. In-depth humanities projects include supporting advanced scholars and collaborating with universities and research institutes domestically and internationally. Humanities dissemination projects support world-class humanities research to create a long-term foundation for spreading humanities among the public.

Support for KAIST Center for Contemplative Science

SK Gas has entered into a donation agreement with the KAIST Center for Contemplative Science to secure excellent faculty and support scientific in-depth research. The institute aims to enhance national mental health through the spread of meditation science, developing Albased meditation science platforms and programs, and training meditation science professionals.

Jigwanseoga Project

To improve the quality of life for local residents by creating hubs for spreading humanities and culture, SK Gas has established humanities community spaces centered around areas where our business is located, such as Ulsan and Pyeongtaek, operating a total of seven spaces to date. The Jigwanseoga project not only promotes the dissemination of humanities but also collaborates with local public institutions, social cooperatives, senior clubs, and local bookstores to create new jobs, thereby contributing to the stability and improvement of local residents' lives.



Jigwanseoga

Community Engagement

STRATEGY

Improving Quality of Life for Vulnerable Groups (Hope)

SK Gas promotes various volunteer and donation activities to support vulnerable groups such as low-income children and adolescents, solitary residents, and people with disabilities.

Operation of Hope Maker

SK Gas operates the “Hope Makers” program, a flagship initiative supporting children and adolescents from low-income families around our business sites. This program provides not only financial support, such as monthly regular donations and occasional material donations but also emotional support through the “Hope Makers School” program, which offers afterschool career and aptitude counseling and academic mentoring. Launched in 2012 in collaboration with five social welfare institutions nationwide, this program has produced 41 graduates to date and currently supports 66 children and adolescents annually. We plan to continuously expand the number of beneficiaries in the future.

Hope Maker Operation Performance and Goals (Unit: %)

Category	2021	2022	2023	2024	2025	2030
Improvement in Career/ Academic Abilities	66	74	83	90	100	100
College Entrance Rate	86	75	67	-	-	-
Employment Rate	14	25	33	-	-	-

Happiness Alliance

Since 2020, SK Gas has been a member of the Happiness Alliance, participating in the “Happy Two Meals” project. To date, we have delivered approximately 1.1 million lunchboxes to over 5,300 children at risk of missing meals nationwide. In 2023, we signed an agreement with Ulsan Nam-gu Office and other Happiness Alliance member companies to support 10,560 meals for about 40 children over one year. The agreement aims to support children in welfare blind spots who are at risk of missing meals due to economic difficulties. It also includes the donation of funds to provide high-quality side dish lunchboxes, considering essential nutrients necessary for child growth.



Happy Two Meals Project

Win-win Support Program

Beyond simple donation activities, SK Gas has designed an industry-linked mutual support program for small business owners, LPG-using taxi industry consumers, and energy-vulnerable groups to promote living stability and contribute to energy welfare improvement. In 2023, we allocated a total of KRW 5 billion to conduct fuel cost discount events for small business customers with vehicles such as children’s school buses and 1-ton trucks, and to provide heating cost support for energyvulnerable groups struggling with winter cold waves. Additionally, in collaboration with Shinhan Bank, we launched a high-interest savings matching fund offering up to a 7% interest rate for LPG taxi and SK LPG membership customers.

Community Living Stability Support

In 2023, to support the healthy and stable daily lives of local residents, SK Gas operated the “Clean Day” program, assisting 17 households in need of housing environment improvements, such as balcony painting and the installation of insect screens at front doors. This initiative created a comfortable living environment during the summer and improved residential hygiene, contributing to the health promotion of local residents.

Moreover, to prevent meal insecurity among low-income vulnerable groups, SK Gas provided education on maintaining and improving health functions once in the first half and once in the second half of 2023 for 20 solitary and disabled residents. We also delivered side dishes made by employees twice a month.

Community Engagement

STRATEGY

Shared Growth with Partners

SK Gas aims to fulfill its social responsibility and create a society where everyone thrives by supporting vulnerable groups through welfare programs and addressing social issues through the SE (Social Enterprise) Bridge project. We strive for growth alongside our customers, partners, and the local community.

LPG Hope Recharging Fund

In 2012, SK Gas, as a key member of the Korea LPG Association, established a KRW 10 billion social contribution fund to support energyvulnerable groups. This initiative marked the beginning of the “LPG Hope Recharging Fund.” The fund primarily supports scholarships for children of taxi industry workers, the LPG pipeline network for unit facilities, and improvements to LPG supply facilities at social welfare institutions. Additionally, it provides support for wildfire-affected areas and safety protection for children’s school buses. The “Scholarships for Children of the Taxi Industry” program supports college students with parents who have worked in the taxi industry for at least one year. Each student receives KRW 2 million per semester for up to one year. By early 2022, ten years after its establishment, the cumulative scholarship amount exceeded KRW 10.5 billion, with 262 new scholarship recipients selected in 2022, bringing the total to 2,585 students who have received scholarships. In 2023, we reassessed support measures and diversified educational support to provide more effective assistance to the taxi industry.

Social Enterprise (SE) Bridge

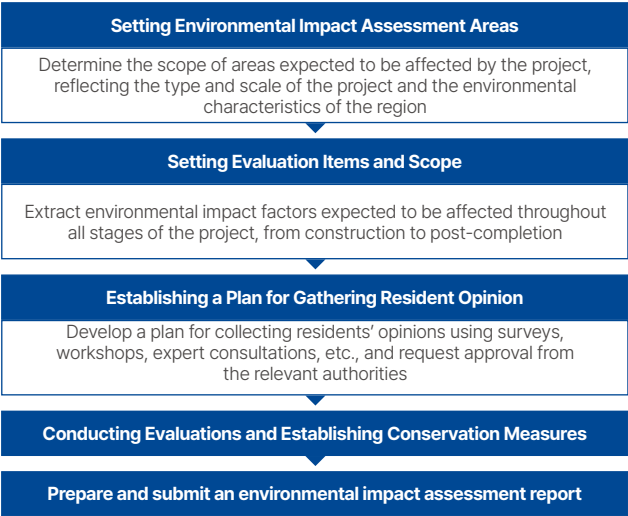
To revitalize the social enterprise ecosystem, SK Gas annually recruits companies to participate in the “SE Bridge” project. This initiative supports the discovery of collaboration models and the creation of social value through partnerships between private companies and social economy enterprises. Since 2021, SK Gas has selected three companies annually under the theme of ecosystem protection: Eco-Play’s ECO-SKOOL project, WePlant’s wildfire restoration project, and Little Friends of the Forest’s endangered insect protection project.

[SE Bridge Activity Details](#) →

RISK MANAGEMENT

When pursuing new projects, SK Gas conducts environmental impact assessments and establishes and implements conservation measures. We actively gather community feedback through briefings and public hearings to minimize the impact on local communities. Our Ulsan and Pyeongtaek sites, where storage terminals are located, are within national industrial complexes, and we have had no issues with local residents regarding the installation of these sites. For future site selections, we will exclude protected environmental areas and engage in prior communication with local residents and conduct environmental impact assessments. Additionally, during social contribution projects, we listen to stakeholders’ grievances and periodically operate a management council to consider the nature and status of the projects. This helps us build a strong trust relationship with the local community.

Risk Management Process



Community Engagement

METRICS & TARGET

Expansion of Eco-Friendly Initiatives in the Community (Green)

Starting from Ulsan, SK Gas plans to gradually expand eco-friendly social contribution activities to other business sites to protect ecosystems, including endangered species. Following the establishment of the third SK Hapy Forest Garden in 2023, we aim to create ten more gardens in Pyeongtaek by 2030 to help address the local fine dust issue.

Spreading Happiness in the Community (Health)

In 2023, SK Gas opened two Jigwanseoga locations in Ulsan and one in Yeosu. From April 2021 to April 2023, the cumulative number of visitors reached 395,923, with a monthly average reading rate of 2.63 books per user, increased from 1.62 books before using the facilities and higher than the national average of 0.375 books. In 2024, we plan to establish the first Jigwanseoga space in Pyeongtaek, where our Pyeongtaek terminal is located, to serve as a cultural and humanities community hub for local residents and share diverse cultures, particularly in Pyeongtaek's Paengseong-eup, home to a US military base.

Improving Quality of Life for Vulnerable Groups (Hope)

SK Gas plans to increase the number of beneficiaries of the "Hope Maker" support program, which aids children from marginalized communities, from 60 to 100 by 2030. We will expand our support network from the current three areas (Seongnam, Ulsan, and Pyeongtaek) where our headquarters and business sites are located, to seven areas.

Shared Growth with Partners

Through the "LPG Hope Recharging Fund," SK Gas plans to support approximately 6,000 LPG supply facility improvements by 2025 and continuously expand the number of scholarship recipients. Additionally, we will select and support one company annually through the SE (Social Enterprise) Bridge project while considering follow-up projects and additional collaborations with existing companies.

Social Contribution Roadmap

Category	2021	2022	2023	2025	2030
Green	<ul style="list-style-type: none">Eco-friendly Education<ul style="list-style-type: none">-Development of online teaching materials (2021)Ecosystem Protection Projects<ul style="list-style-type: none">-MOU with National Institute of Ecology (2020)-Publication and distribution of environmental books<ul style="list-style-type: none">1) Ulsan (2020)2) Pyeongtaek (2021)	<ul style="list-style-type: none">Eco-friendly Education<ul style="list-style-type: none">-Conducted online/offline in two areas (Seongnam/Ulsan) Ecosystem protection project in Ulsan (targeting citizens)-Ulsan Neighbor Bird Project (For Citizens)-Publication/distribution of books on endangered species: 2 regions (Seongnam and Seochon, 20,000 copies)Reforestation Projects (Urban Forest Creation)<ul style="list-style-type: none">-Creation of the first SK Happy Forest Garden in the city (in partnership with Pyeongtaek, completed in November)	<ul style="list-style-type: none">Eco-friendly Education<ul style="list-style-type: none">-Conducted online/offline in three areas (Seongnam/Ulsan/Pyeongtaek)-Participation of career-interrupted womenEcosystem Protection Projects<ul style="list-style-type: none">-Production/distribution of AR books-Recognition for endangered species protectionSK Happy Forest Garden<ul style="list-style-type: none">-Creation of the third SK Happy Forest Garden	<ul style="list-style-type: none">Continued Eco-Friendly EducationEcosystem Protection Projects<ul style="list-style-type: none">-Continued endangered species protection projectsSK Happy Forest Garden<ul style="list-style-type: none">-Creation of the sixth SK Happy Forest Garden in Pyeongtaek	<ul style="list-style-type: none">Expansion of Expertise In Eco-friendly EducationExpansion of Ecosystem Protection Project AreasSK Happy Forest Gardens<ul style="list-style-type: none">-Creation of ten SK Happy Forest Gardens in Pyeongtaek
Health	<ul style="list-style-type: none">Support for Foundations<ul style="list-style-type: none">-Humanities (Foundation Academia Platonica)-Spreading Happiness (Seoul National University)	<ul style="list-style-type: none">Continued Foundation SupportPlanning/Implementing Jigwanseoga Project<ul style="list-style-type: none">-Goal to establish 30 by 2030-Locations: Ulsan/Pyeongtaek (regions where business sites are located)-Establishment of UNIST branch	<ul style="list-style-type: none">Continued Foundation SupportEstablishment/Operation of Jigwanseoga<ul style="list-style-type: none">-Established three locations in the community (two in Ulsan, one in Yeosu)-Review of the direction of Jigwanseoga establishment/operation	<ul style="list-style-type: none">Continuation of Foundation SupportContinued Operation of Jigwanseoga	<ul style="list-style-type: none">Continuation of Foundation SupportContinued Operation of Jigwanseoga
Hope	<ul style="list-style-type: none">Hope Maker<ul style="list-style-type: none">-Maintaining support for 60 people annually (Seongnam/Ulsan/Pyeongtaek)Happiness Alliance<ul style="list-style-type: none">-Participation since 2019-Annual donation to one areaSupport Projects with Linked Organizations<ul style="list-style-type: none">-Support for six institutions' own projects	<ul style="list-style-type: none">Hope Maker<ul style="list-style-type: none">-Annual 5% increase in the number of beneficiaries (63 people linked)Happiness Alliance<ul style="list-style-type: none">-Expansion to two areas (Busan/Jeju)Support Projects with Linked Organizations<ul style="list-style-type: none">-Support for six institutions' projects	<ul style="list-style-type: none">Hope Maker<ul style="list-style-type: none">-Annual 5% increase in the number of beneficiaries (66 people linked)Happiness Alliance<ul style="list-style-type: none">-Two regions with continuous supportSupport Projects with Linked Organizations<ul style="list-style-type: none">-Support for six institutions' own projects	<ul style="list-style-type: none">Hope Maker<ul style="list-style-type: none">-Annual 5% increase in the number of beneficiaries (72 people linked)Support for Happiness AllianceSupport Projects with Linked Organizations<ul style="list-style-type: none">-Expansion of Support for Linked Organizations	<ul style="list-style-type: none">Hope Maker<ul style="list-style-type: none">-Support for 100 people in six areasSupport Projects with Linked Organizations
Shared Growth	<ul style="list-style-type: none">Operation of LPG Hope Recharging FundSE Bridge<ul style="list-style-type: none">-Eco Play(ECO-SKOOL Ulsan)	<ul style="list-style-type: none">Operation of LPG Hope Recharging FundSE Bridge<ul style="list-style-type: none">-WePlant(wildfire restoration project)	<ul style="list-style-type: none">Operation of LPG Hope Recharging FundSE Bridge<ul style="list-style-type: none">-Little friends in the forest (endangered insect protection project)	<ul style="list-style-type: none">Operation of LPG Hope Recharging FundContinuation of SE Bridge Project	<ul style="list-style-type: none">Operation of LPG Hope Recharging FundContinuation of SE Bridge Project



Special Report

Jigwanseoga - A Space for Pause and Reflection



The term **"Jigwan (止觀)"** means to stop and look. It signifies halting the rush of life to observe oneself and the world, aiming to see a deeper dimension of existence. It is another expression for reflection.

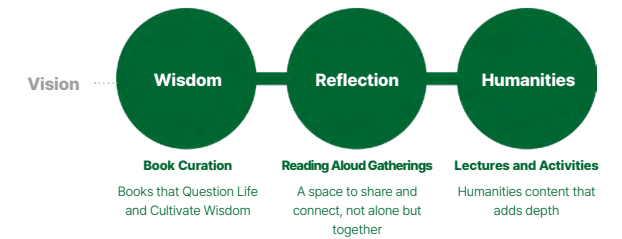
Jigwanseoga serves as a hub for spreading the research achievements and humanities content of the Foundation Academia Platonica, the Center for Happiness Studies (Seoul National University), and the KAIST Center for Contemplative Science to the local community. SK Gas aims to contribute to the mental health and happy lives of local residents through various activities at Jigwanseoga, such as book curation, reading-aloud gatherings, and lectures.

Community-Specific Spatial Design

Since opening the first Jigwanseoga in Ulsan in 2020, SK Gas has been operating seven locations and is expanding to regions like Yeosu and Pyeongtaek. When selecting new locations, we conduct a concept acceptance survey to understand the current status and cultural elements of the region, identifying suitable candidate areas for Jigwanseoga operations. Pyeongtaek, where SK Gas has a business site, has distinct zones for foreigners and locals, and a clear division between new and old urban areas due to ongoing development. Jigwanseoga Pyeongtaek, the 1st branch set to open in October 2024, was selected with these challenges in mind, aiming to overcome cultural and physical distances and cater to the preferences of core users. Existing Jigwanseoga spaces were also planned considering regional social issues. For instance, the Jigwanseoga UNIST branch in Ulsan is located next to a reservoir to provide a calming environment, addressing the social issue of high suicide rates among students, with a theme of "meditation." Unlike other branches, books are not displayed prominently to help university students achieve mental tranquility.



Mission Enriching Local Happiness through Wisdom, Reflection, and Humanities for Mental Wellness



Book Curation Life-enriching Themes

- (Jun 2024) Dalbodre Center in Anjeong-ri, Pyeongtaek (Pyeongtaek 1st Branch) – "Loving Kindness"
- (Feb 2023) Municipal Art Museum Branch in Jung-gu, Ulsan – "Beauty"
- (Jul 2023) Songjeong Park Sangjin Lake Park Branch in Buk-gu, Ulsan – "Inspiration"
- (Oct 2023) Haus des jungen Goethe in Yeosu – "Overcoming"

Reading Gatherings

- Small reading gatherings where participants communicate their thoughts on a book with a knowledge curator

Total Participants: **192**

Humanities Lectures

- High-quality lectures featuring scholars from various fields, focused on life themes for humanities reflection

Total Participants: **704**

Humanities Activities

- Various humanities activities held at each Jigwanseoga branch, conducted in person (irregular programs)

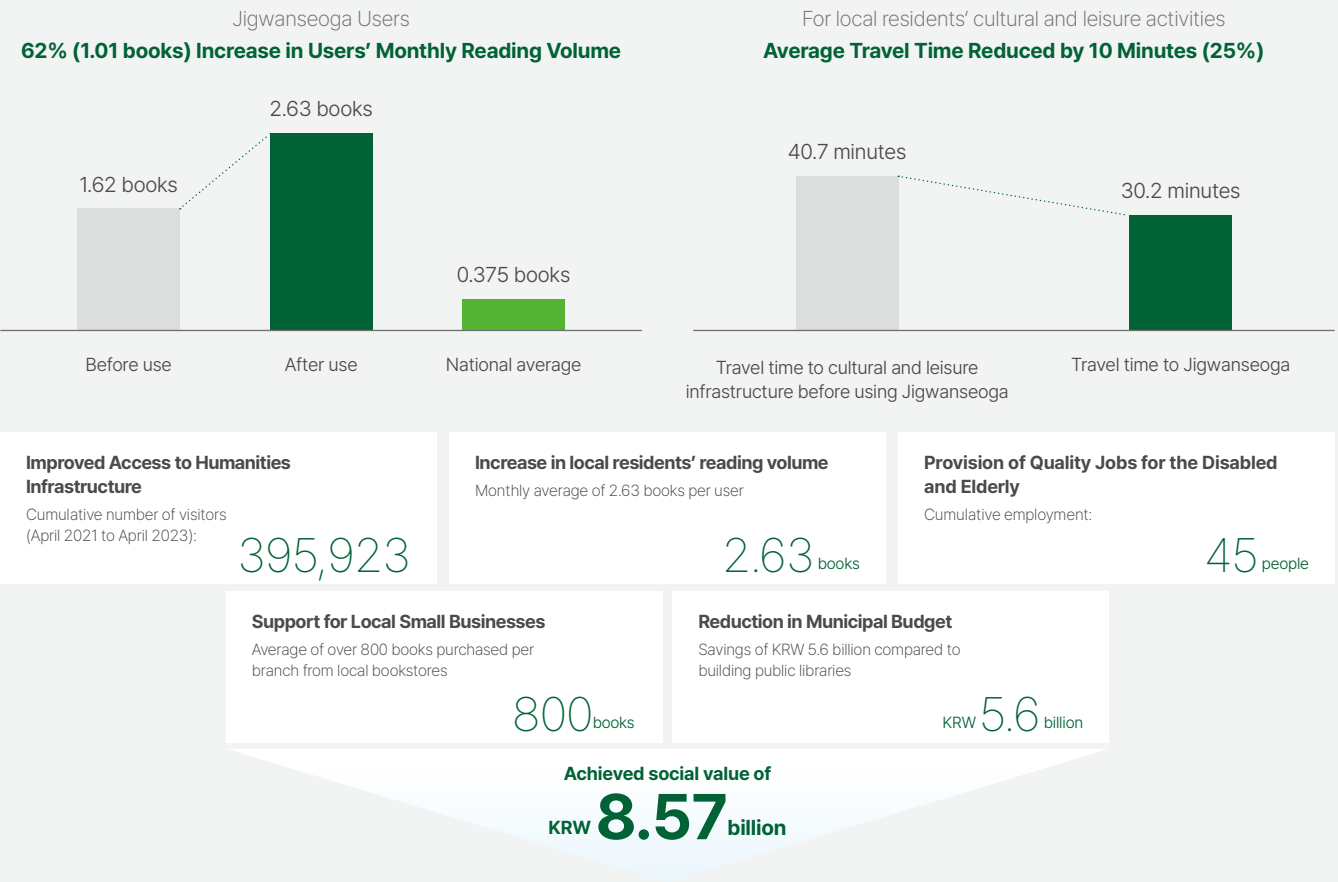
Total Participants: **440**

Special Report

Jigwanseoga - A Space for Pause and Reflection

SK Gas conducts impact assessments to verify the effectiveness and value of Jigwanseoga establishments. The results are used for communication with internal and external stakeholders, discovering new projects, and improving existing programs.

Jigwanseoga Key Impact



Jigwanseoga is also used as a communication channel with local residents. To provide better services, periodic user surveys are conducted to gauge satisfaction, identify areas for improvement, and address community issues related to the business sites.

Feedback from Jigwanseoga User ①

"Compared to its high income levels and living costs, Ulsan has poor cultural infrastructure. Many people travel to nearby Daegu or Busan on weekends for cultural and leisure activities. Jigwanseoga is a space where three generations – grandparents, parents, and children – can enjoy together due to its location and facilities."

"Before knowing about Jigwanseoga, I wasn't aware that such a place existed. Through my experience, I realized the importance and value of humanities and cultural infrastructure."

Feedback from Jigwanseoga User ②

"With Jigwanseoga, a bookstore-café offering quality books, I now have the opportunity to read rare books that are hard to find."

"The furniture and music at Jigwanseoga create an atmosphere conducive to reading. Thanks to this quiet and comfortable space, I can focus on reading, and the diverse and well-curated book selection encourages me to engage in deeper reading."

Feedback from Jigwanseoga Employees

"The jobs at Jigwanseoga are high-quality positions, different from traditional senior jobs. Elderly employees, especially those working as 'baristas,' take great pride in their work. On their days off, they like to visit with family and friends to show off their workplace and job."

"Financially, it allows them to give their grandchildren regular allowances and contribute to social gatherings with friends, which significantly boosts their self-esteem."

THROUGH TRANSPARENCY















ESG Master Plan 2.0

Board Leadership	81	Compliance & Ethics	85	Business Portfolio Mgmt.	90	Sustainability Communication	91
<ul style="list-style-type: none">• Enhancement of Board Expertise/Diversity• Strengthening of Board Independence• ESG-Based Evaluation/Compensation System for Management		<ul style="list-style-type: none">• Anti-Corruption/Audit• Strengthening of Compliance Practices• Establishment of Fair Trade Practice System		<ul style="list-style-type: none">• ESG Standards Application for New Business Investments• Establishment/Implementation of Integrated Risk Management System• Investment Management for Subsidiaries/Affiliates		<ul style="list-style-type: none">• Enhancement of Shareholder Value• Strengthening of ESG Disclosures• Expansion of ESG Global Partnerships	

Progress Report

ESG MASTER PLAN 1.0
(2021-2023 Performance)

→ **ESG MASTER PLAN 2.0**
(2024-2026 Goals)

<div><div>Board Leadership</div></div>	<div>Strengthening Independence, Expertise, and Diversity of the Board<ul style="list-style-type: none">• 2021: Established the ESG Committee• 2022: Established guidelines for board expertise and diversity• 2022: Established guidelines for the independence of outside directors• 2022: Revised the Corporate Governance Charter</div> <div><div></div><div>Maintain at Least 57% Outside Directors on the Board</div></div>	<div>Strengthening Independence, Expertise, and Diversity of the Board<ul style="list-style-type: none">• Improve the Outside Director Candidate Recommendation System• Enhance the selection process for outside director candidates</div> <div><div></div><div>Increase the proportion of financial and industry/technology experts</div></div>
<div><div>Compliance & Ethics</div></div>	<div>Foundation of Ethical Management<ul style="list-style-type: none">• 2020: Obtained ISO 37001 certification• 2023: Developed IT system for anti-corruption selfpurification• 2023: Revised fair trade compliance manual</div> <div><div></div><div>Maintain ISO 37001 certification, zero violations of fair trade regulations</div></div>	<div>Advancement of Ethical Management<ul style="list-style-type: none">• 2024: Conduct fair trade risk assessment• 2026: Renew ISO 37001 certification</div> <div><div></div><div>Obtain ISO 37001 certification, zero violations of fair trade regulations</div></div>
<div><div>Business Portfolio Management</div></div>	<div>New Business Investment Management<ul style="list-style-type: none">• Operate the one-stop service (OSS) process for new business investments</div> <div><div></div><div>Effectively operate the OSS process for existing businesses (over KRW 1 billion) and new businesses</div></div>	<div>Introduction of Internal Carbon Pricing<ul style="list-style-type: none">• 2024: Revise investment management regulations</div> <div><div></div><div>Reflect carbon pricing in new investments over KRW 20 billion in 2024-2025</div></div>
<div><div>Sustainability Communication</div></div>	<div>Strengthening ESG Disclosure and Partnerships<ul style="list-style-type: none">• 2021-2023: Established and effectively implemented dividend policy• 2021: Introduced electronic voting and proxy system</div> <div><div></div><div>2023: Achieved MSCI ESG Rating AAA rating, KCGS integrated A+ rating</div></div>	<div>Strengthening ESG Disclosure and Partnerships<ul style="list-style-type: none">• 2024-2026: Strengthen dividend policy</div> <div><div></div><div>Effectively implement the dividend policy</div></div>

Board Leadership

Board Composition

As of the end of May 2024, the SK Gas Board of Directors comprises a total of seven members: two inside directors, four outside directors, and one non-executive director. To enhance the independence and transparency of the board and solidify board-centric management, more than half of the board (57%) consists of independent directors. The chairperson of the board is separated from the CEO and is an outside director. The board has four committees: Audit Committee, Outside Director Candidate Recommendation Committee, ESG Committee, and Personnel Committee.

Board Composition Overview

(As of the end of May 2024)

Category	Name	Appointment Date	Term	Attendance Rate	Major Experience	Expertise
Outside Director (Board Chair)	Yeon Geun Kim	March 24, 2022	3 years	100%	Completed Ph.D. coursework in Tax Law at Korea University Certified Public Accountant (CPA) Former Commissioner of Seoul Regional Tax Office Current Advisor at Kim & Chang	Accounting/ Finance
	Hyun Jeong Jeon	March 21, 2024	3 years	100%	Law major at Seoul National University Completed Ph.D. coursework in Commercial Law at Seoul National University Graduate School Current attorney at KCL & PARTNERS	Law
Outside Director	Ju Kyeong Park	March 23, 2023	3 years	100%	Master's from Korea National Defense University Current Guest Researcher at Korea Institute of Science and Technology Information Current Distinguished Professor at Seoul Digital University	Safety/ Security
	Yang Hoon Son	Mach 21, 2024	3 years	100%	Economics major at Yonsei University Master's in Economics from Yonsei University Graduate School Ph.D. in Economics from the University of Florida	Energy
Inside Director	Chang Won Chey	March 23, 2023	3 years	92.3%	Psychology major at Seoul National University Current Vice Chairman and CEO of SK Discovery	Corporate Management
	Byung Suk Yoon	March 24, 2022	3 years	100%	Chemical Engineering major at Seoul National University Master's in Chemical Engineering from Seoul National University MBA from the University of Michigan Current President and CEO of SK Gas	Corporate Management
Others Non-Executive Director	Kwang Hyun Jeon	March 23, 2023	3 years	100%	Business Administration major at Korea University Current CEO of SK Discovery and Non-Executive Director of SK Chemicals	Corporate Management

Board Operations

The SK Gas Board of Directors actively collects and incorporates the opinions of shareholders and stakeholders into its management activities. The board reviews and resolves a wide range of issues, including social, environmental, and economic matters, and assesses business investment risks. Regular board meetings are held more than ten times a year for financial statement approval, convening regular shareholders' meetings, and quarterly management performance reports. Additionally, two to three special board meetings are held annually for investment risk assessment. In 2023, the board convened a total of 13 meetings, addressing 24 reporting agendas and 28 resolution agendas. Board meetings are convened by the board chair or a director designated by the chair at least seven days prior to the meeting. Resolutions are passed with the attendance of more than half of the directors and a majority vote of the attending directors, unless otherwise stipulated by relevant laws.

Board Meeting Status

Category		Unit	2021	2022	2023
Meeting Status	No. of Meetings Held	sessions	13	15	13
	No. of Reporting Agendas	agendas	23	20	24
Reporting and Resolution	No. of Resolution Agendas	agendas	31	35	28
	Approved	agendas(%)	31(100)	34(97.1)	28(100)
Opinions by Agendas	Opposed	agendas(%)	0(0)	0(0)	0(0)
	Modified	agendas(%)	0(0)	0(0)	0(0)
	Abstained	agendas(%)	0(0)	0(0)	0(0)
	Deferred	agendas(%)	0(0)	1(2.9)	0(0)

Board Leadership

Board independence

SK Gas adheres to the “Outside Director Independence Guidelines,” with more than half of the board comprising outside directors. Outside directors are appointed after a verification process by the Outside Director Candidate Recommendation Committee, ensuring no significant contracts or transactions with the company. The board chair is separated from the CEO to enhance outside, and all four committee chairpersons within the board are outside directors. Outside directors are limited to holding positions in only one other company and can serve a maximum of two terms (approximately six years).

[Outside Director Independence Guidelines](#) →

Board Expertise and Diversity

In line with the “Board Expertise and Diversity Guidelines,” SK Gas prioritizes the recommendation and appointment of outside directors with expertise in law, IT, and accounting/finance. To incorporate various stakeholder demands into management, the board pursues diversity by respecting factors such as race, gender, age, nationality, education, religion, disability, and political affiliation. As of 2023, there is one female outside director, and SK Gas will continue to strive to ensure that the qualities and capabilities of directors contribute to the company's long-term performance and development.

[Board Expertise and Diversity Guidelines](#) →

Board Election Process

SK Gas ensures the fairness and objectivity of the nomination and appointment process for both executive and outside directors by disclosing qualifications, appointment backgrounds, and independence requirements. Inside director candidates are recommended by the board based on qualifications and competence, followed by approval at the general shareholders’ meeting. Outside director candidates are recommended by the Outside Director Candidate Recommendation Committee and are elected individually on an annual basis. The evaluation of director candidates considers independence, expertise, diligence, management mindset, social recognition, diversity of the board composition, and the business environment.

Board Independence, Expertise, and Diversity

Category		Unit	2021	2022	2023
Independence	Percentage of outside directors on the board	%	571	571	571
	CEO and board chair	separation	separated	separated	separated
	Limitation on other positions	positions	1	1	1
Expertise	Directors with industry experience	%	42.85	42.85	42.85
	Financial experts	persons	2	2	2
Diversity	Board diversity policy	establishment	established	established	established
	Female directors	%	14.3	14.3	14.3
Efficiency	Average term	years	5.3	6.3	5.6
	Attendance rate	%	97.8	96.8	96.7

Board Competency Matrix

(As of the end of May 2024)

Competency Category		Chang Won Chey	Byung Suk Yoon	Kwang Hyun Jeon	Yeon Geun Kim	Hyun Jeong Jeon	Ju Kyeong Park	Yang Hoon Son	Percentage	
Leadership		●	●	●	●	●	●		86%	
Business Development/Strategy		●	●	●				●	57%	
Finance/Accounting/Risk			●	●	●		●		57%	
Legal/Regulatory					●	●		●	43%	
ESG		●	●	●	●	●	●	●	100%	
Core Industry (Energy/Chemicals/Power)		●	●	●				●	57%	
Global		●	●			●	●		57%	
M&A/Capital Markets		●	●	●	●	●			71%	
Supply Chain/Security (including IT)				●			●	●	43%	
Board Activities	Term	'23~'26	'22~'25	'23~'26	'22~'25	'24~'27	'23~'26	'24~'27	-	
	Affiliated Committees	-	ESG	HR	Chair, Personnel, Audit, Outside Director Candidate Recommendation	Audit, Outside Director Candidate Recommendation, ESG	Outside Director Candidate Recommendation, Audit, Personnel	Outside Director Candidate Recommendation, ESG	-	
	Independence				○	○	○	○	57%	
Independence & Diversity	Diversity	Age	59	58	59	63	57	60	65	Average: 60
		Gender	Male	Male	Male	Male	Female	Male	Male	Female 14%



Board Leadership

Board Committees

Outside Director Candidate Recommendation Committee

The Outside Director Candidate Recommendation Committee recommends candidates with expertise and independence through a transparent and fair nomination process.

Outside Director Candidate Recommendation Committee Operations

Category	Unit	2021	2022	2023
Number of Members	persons	3	3	3
Outside Director Ratio	%	100	100	100
CEO Participation	participation	not participated	not participated	not participated
Number of Meetings Held	sessions	2	2	2
Attendance Rate	%	100	100	100
Number of Resolution Agendas	agendas	4	1	1
Number of Reporting Agendas	agendas	0	1	1

Audit Committee

The Audit Committee comprises entirely outside directors, including a chairperson who is an expert in accounting/finance. The committee supervises the soundness and propriety of the company's financial activities by evaluating the operation of the internal accounting management system and reviewing major company issues.

Audit Committee Operations

Category	Unit	2021	2022	2023
Number of Members	persons	3	3	3
Outside Director Ratio	%	100	100	100
Chairperson's Financial Expertise	establishment	established	established	established
Number of Financial Experts	persons	1	1	1
Number of Meetings Held	sessions	11	11	13
Attendance Rate	%	100	100	100
Number of Resolution Agendas	agendas	18	17	13
Number of Reporting Agendas	agendas	6	8	15
Number of Opposing/Amending Opinions	agendas	0	0	0

ESG Committee

SK Gas operates the ESG Committee to implement sustainable management and strategic responses. The ESG Committee consists of one inside director and two outside directors. The committee determines ESG strategy directions and monitors related performance. In 2023, the committee reported on the progress of key ESG tasks for 2023 and the plans for 2024, the results of the ESG materiality assessment, and the introduction of an internal carbon pricing system. SK Gas will continue to strengthen the board's responsibility and role in sustainable management and effectively respond to ESG risks to enhance long-term corporate value.

ESG Committee Operations

Category	Unit	2021	2022	2023
Number of Members	persons	3	3	3
Outside Director Ratio	%	66.7	66.7	66.7
Number of Meetings Held	sessions	3*	4	8
Attendance Rate	%	100	100	96
Number of Resolution Agendas	agendas	1	1	1
Number of Reporting/Review Agendas	agendas	3	8	16

* As of June 8, 2021, the Sustainability Management Committee was abolished due to functional overlap, and its meeting frequency (once) is included in the ESG Committee meeting frequency.

Personnel Committee

The Personnel Committee reviews and recommends CEO candidates to the board and the general shareholders' meeting. It also evaluates inside directors and key executives and deliberates on individual director compensation. The performance of key management is evaluated based on KPIs, including ESG strategic tasks (e.g., greenhouse gas Net Zero, occupational health and safety), and the details of the compensation are disclosed in the business report.

Personnel Committee Operations

Category	Unit	2021	2022	2023
Number of Members	persons	3	3	3
Outside Director Ratio	%	66.7	66.7	66.7
Number of Meetings Held	sessions	3	5	4
Attendance Rate	%	89	80	92
Number of Resolution Agendas	agendas	1	0	0
Number of Reporting/Review Agendas	agendas	4	10	9

Board Leadership

Board Education

To enhance the expertise of directors, SK Gas provides education related to the company's midto long-term plans and new businesses. Additionally, efforts are made to increase directors’ understanding of key ESG issues such as climate change response and ethical management. In 2023, ethical management education was provided to all outside directors. Outside directors can also seek assistance from external experts as needed, according to board regulations.

Outside Director Training Status

Education Date	Attended Outside Directors	Main Training Content
June 20, 2023	Yeon Geun Kim, Hyun Jeong Jeon, Ju Kyeong Park	Analysis of audit results for companies subject to internal accounting control system audits in 2022, implementation of consolidated internal accounting control system
September 15, 2023	All Outside Directors	Ethical management training for outside directors
December 11, 2023	Hyun Jeong Jeon	K-Governance, board challenges for desirable changes

Board Evaluation and Compensation

Since 2020, SK Gas has conducted internal evaluations to clarify the roles and responsibilities of the board and enhance operational efficiency. The evaluation consists of five categories and 25 sub-items, covering the composition, roles, responsibilities, and operations of the board and its committees. The results are disclosed in the business report and corporate governance report and are used to improve future board operations. Additionally, ESG performance is included in the key performance indicators (KPIs) for the CEO and all executives, striving to grow into a global ESG leader.

Board Evaluation Results

Overall Score (out of 5)	4.99
Board Composition	5.00
Board Roles	4.95
Board Responsibilities	5.00
Board Operations	5.00
Committee Composition/Roles/Operations	5.00

Compensation for inside directors is determined transparently and fairly within the limits set by the general shareholders’ meeting, considering company performance and executive management regulations Compensation for outside directors is set within the same limits as for inside directors, taking into account compensation levels in similar industries, job responsibilities, and independence.

Board Compensation Disclosure and Stock Ownership Status

	Category	Unit	2021	2022	2023
Com- pen- sa- tion	Inclusion of ESG in CEO Performance Indicators	inclusion	inclusion	inclusion	inclusion
	Individual Compensation Criteria and Amounts	disclosure	disclosure	disclosure	disclosure
Stock Own- ership	National Pension Stock Ratio	%	5.36	6.80	-
	Controlling Shareholder Stock Ownership Ratio	%	72.35	72.20	72.20

Compliance & Ethics | Ethical Management

GOVERNANCE

Ethical Management Policies

SK Gas has established a Code of Ethics and anticorruption management system regulations as the basis for decision-making in all management activities and business operations. These policies apply not only to the management and all members, including contract and dispatched employees, at domestic and overseas business sites but also to subsidiaries and partners. The Code of Ethics includes the basic ethics of members, laws and management policies, and comprises supplementary regulations and guidelines such as the counseling/reporting system, budget/cost usage standards, FAQ for leaders, and ethics pledge. Through the anti-corruption management system regulations, we provide guidelines and procedures for operating bribery and anticorruption policies. The purchasing management regulations and supplementary procedures present the ethical standards and evaluation criteria related to BP (business partners).

[Go to \[Code of Ethics\]](#) →

Ethical Management Control System

SK Gas systematically manages ethical management risks centered on the Audit Committee.

Audit Committee

The Audit Committee, under the Board of Directors, performs audits on the operation status of the internal accounting management system and corporate financial activities. It monitors companywide ethical management performance and plans, measures the level of ethical management, and reports operational results to the Board of Directors.

CEO

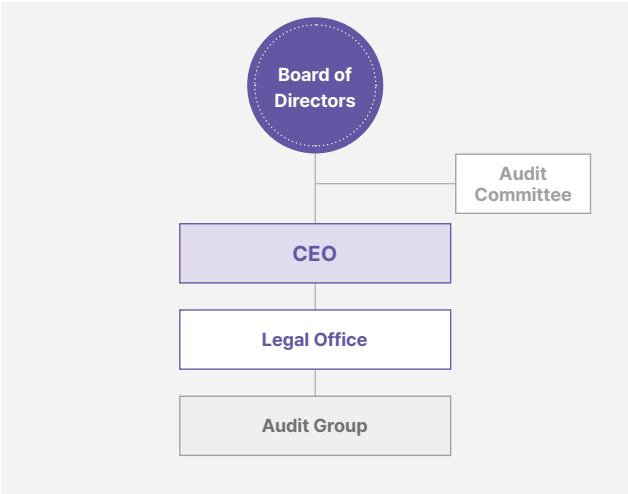
The CEO oversees and inspects overall compliance and ethics management risks under the companywide risk management system, which consists of the “prevention-detection-response” process. At the beginning of each year, the CEO reports anticorruption and ethical management performance and plans to the Audit Committee and reviews the risk management status with the Board of Directors twice a year.

Audit Group

The Audit Group, a department under the Legal Office directly reporting to the CEO, serves as the primary department for anti-corruption and ethical management, performing practical roles to enhance the company’s level of ethical management.

- Inspection of anti-corruption self-purification systems and internal audits regarding corruption/compliance
- Conducts ethics education and workshops for all members, including subsidiaries
- Conducts ethical management surveys targeting internal members and BPs (business partners)
- Receives consultations/reports related to ethical management and internal accounting issues
- Acquires and maintains ISO 37001 (Anti-Corruption Management System) certification

Organization Chart of the Ethical Management



Compliance & Ethics

Ethical Management

STRATEGY

Ethics Education

SK Gas provides ethics education for all members, including those from domestic and international subsidiaries, as well as contract, and dispatched employees, to promote a culture of anti-corruption and ethical management. The training encompasses basic education such as sexual harassment prevention and workplace bullying prevention, as well as diversified areas like the prevention of unfair tasks for locally hired personnel and practical standards related to secondary employment. In 2023, 863 employees (99.7%), including those from subsidiaries, completed ethics education and signed the ethics pledge. Additionally, reflecting the results of the 2022 Ethical Management Survey, ethics education was provided to new PLs to set an example for leaders. Training covered ethical practice standards, violations of the Improper Solicitation and Graft Act, and the counseling/reporting system, providing leaders with standards for ethical judgment and execution, emphasizing the transparent use of costs and budgets.

Contents of Ethics Education for Members

Category	Expected Effect
Basic Ethics of Members	Examples of workplace bullying and related laws, unethical cases related to verbal abuse, unfair tasks, unfair treatment, and practical standards for secondary employment
Improper Use of Company Assets	Private use of corporate cards, travel expenses, and company goods
Counseling/Reporting System	Methods and precautions for reporting ethical management issues

Anti-Corruption/Ethical Management Education Status

Category		Unit	2021	2022	2023
Education Hours per Person	General Ethics Education		2	2	2.2
	Sexual Harassment Prevention, Workplace Bullying Prevention Education	hours	1.5	1.5	2.8
Number of Participants (Completion/Target)	Total		976/976	772/776	863/866
	SK Gas (Regular and Non-regular Employees)	persons	560/560	564/568	595/598
	Subsidiaries		416/416	208/208	268/268
Participation Rate		%	100	99.5	99.7

Ethics Practice Workshops

SK Gas holds ethics practice workshops led by executives at the unit/group level, with a total of 810 participants, including members from domestic and international subsidiaries, in 2023. In this workshop, discussions were conducted in a format where leaders and members focused on case studies related to the company-wide common topic of "Workplace Harassment" and the topics identified by each division based on the weaknesses revealed in the 2022 Ethics Management Survey.

Support for Ethical Management of Business Partners

SK Gas promotes the ethical management practices of its members and business partners by requiring the submission of an ethics pledge and the Code of Conduct for Partners (ESG/Ethics/Human Rights Management) during purchase contracts. Additionally, through a dedicated procurement IT system, we collect annual ethics pledges and provide detailed guidelines related to fair trade and ethical management, including ethical management practice guidelines for holidays such as Lunar New Year and Chuseok.

Furthermore, we conduct annual ethical management surveys for BPs to enhance support for the ethical management of business partners, providing information on "Company ethical management guidelines for holiday gifts," "Protection of and channels for counseling/reporting," "Examples of inappropriate bidding participation," and "The Code of Conduct for Partners." These guidelines are updated annually to strengthen the ethical management support for business partners.

Compliance & Ethics

Ethical Management

RISK MANAGEMENT

Anti-Corruption Management System

In April 2020, SK Gas obtained ISO 37001 (Anti-Corruption Management System) certification, the international standard for anti-corruption management systems. The certification scope includes the import, storage, and supply of LPG, encompassing anti-corruption*, detection, and response across all business areas related to our products and services. Since acquiring ISO 37001 certification, we have maintained it through annual maintenance and renewal audits. In 2023, all 40 departments performing the business within the certification scope were audited for 31 certification requirements (risk management items), resulting in a three-year extension of the certification. This acknowledged our system's compliance with international standards for anti-corruption. Additionally, we regularly review and comply with regulations, conduct anti-corruption and ethical management education, operate the counseling/reporting system, and continuously identify, evaluate, inspect, and improve companywide corruption risks based on the self-purification system. These risk management statuses are reported and reviewed by the CEO and the Audit Committee regularly.

* SK Gas conducted a corruption risk assessment for all domestic business sites (headquarters, Ulsan/Pyeongtaek terminals, Central/Eastern/Western/Jeju branches), implemented improvement measures for identified corruption issues, and conducted regular monitoring.

Furthermore, we operate a self-purification system for anti-corruption targeting all subsidiaries, domestic and international sites. In 2023, we inspected 35 major business areas and 120 items. To enhance the efficiency and effectiveness of this system, we have developed and are operating an IT system. SK Gas will continue to improve our ethical management system and prevent corruption risks by advancing our anti-corruption management system.

Internal Audit (Regular, Ad-hoc)

Internal Audit Policies

The internal audit department selects key internal audit tasks by reflecting the risk assessments of the anti-corruption self-purification system, ethical management surveys, and diagnoses from groups and external organizations. A three-year internal audit plan is established and executed, including the current year. Specifically, an annual compliance audit for Expenses execution management is conducted across all business sites, and biennial compliance audits for procurement and receivables management. In 2024, in addition to Expenses execution, procurement, and receivables compliance audits, internal audits on investment company management and subsidiaries will also be conducted. Furthermore, ethical management activities such as anti-corruption self-purification activities, implementation checks, ethical management surveys, and ad-hoc audits for reported cases are performed across all domestic and international business sites and subsidiaries annually. Additionally, in collaboration with the SK Group Autonomous Responsibility Management Support Team, anti-corruption management diagnostic audits for all business sites are conducted every few years, with one audit completed in the past three years.

Cate-gory	Audit of Corruption Risk Content	Fre-quency	Target Business Sites	Remarks
Regular Audit	Expense execution compliances	Annually	All business sites	-
	Procurement, Receivables Compliance	Biennially	All business sites	-
	Key Internal Audit Tasks Selected Annually	Annually	Relevant business sites, subsidiaries	2024: Investment company management audit, subsidiaries audit
	Company-wide Diagnostic	Multi-year		SK Group Audit
Ad-hoc Audit	Anti-corruption and other reported cases on an adhoc basis.			

Reporting and Monitoring of Internal Audit Results

Internal audit results are regularly reported to the CEO and the Audit Committee (four reports completed in 2023, and four reports planned for 2024). Reports on ad-hoc audit results are also executed as needed. Identified issues are followed by improvement recommendations to relevant departments, with subsequent checks and monitoring of the implementation of these improvements.

Key Audit Activities from 2021 to 2023

Cate-gory	Corruption Risk Audit Content	Remarks	Reporting
2021	Expenses execution Compliance	Regular Audit	Reported to CEO and Audit Committee
	Financial Management*	Overall Operation	
	Subsidiary (SK D&D) Procurement Process*	Overall Procurement	
2022	Company-wide Diagnostic (including cost, procurement, receivables compliance)	SK Group Regular Audit	
	HR Management*	Overall Operation	
	Expenses execution Compliance	Regular Audit	
2023	IT Strategy Support Office, R&D Center Procurement Process*	Overall Procurement	SK Group Implementation Audit
	Implementation Audit of 2022 Company-wide Diagnostic	SK Group Implementation Audit	
	Financial, Personnel, Sales Asset Management*	Implementation Audit of Internal Audit	

* Key internal audit tasks selected annually

Compliance & Ethics

Ethical Management

RISK MANAGEMENT

Ethics Counseling and Reporting System

SK Gas operates a counseling and reporting system for violations of ethical management, including anti-corruption and unfair trade practices. Reports can be made regarding violations of the ethics code, such as unreasonable demands from members, acceptance of money, gifts, entertainment, or conveniences. Reports can be submitted anonymously or with identification through various channels (online, phone, mail, email). The counseling and reporting center is operated by dedicated personnel within the internal audit/ethical management organization, and all relevant regulations and procedures for protecting informants are specified in the operational rules.

This system is also managed under the supervision of SK Group's Autonomous Responsibility Management Support Team to ensure fairness and transparency. In 2023, a total of nine reports were received, of which one was investigated. In 2024, we plan to analyze the root causes of the reported issues, establish improvement plans to prevent a recurrence, and enhance the Q&A and informant protection functions by setting up an ethical management bulletin board.

Status of Ethical Counseling and Reporting Processing (Unit: cases)

	Category	2021	2022	2023
Ethical Management Report Reception (by Informant)	Employees	4	0	1
	Partners	0	2	3
	Customers	0	4	4
	Others	1	1	1
Processing Results	Investigation (Audit)	1	1	1
	Transfer to Relevant Departments	1	1	1
	Others (Dismissal, etc.)	3	5	7

Ethical Management Survey

SK Gas conducts an ethical management survey targeting all employees, including those of subsidiaries, to measure the awareness and practice levels of ethical management among our members and identify vulnerabilities. In 2023, 99% of employees, including subsidiaries (846 out of a total of 868 members), participated in the survey. The results indicated that SK Gas's ethical management practice level (overall average of 3.98) was generally favorable compared to the group's overall average (3.93). For relatively weak areas such as reporting and follow-up actions, we plan to improve by listening to the voices of vulnerable organizations, encouraging leadership to set an example, and expanding company-wide promotion/education on ethical management activities. Additionally, we conduct an anonymous survey at the end of each year targeting our construction/service purchasing partners to check the compliance status of our members with ethical management. The results are shared with the relevant departments to raise awareness about ethical management. The business partner survey also includes subsidiaries, reflecting their selfpurification systems and internal audits.

METRICS & TARGET

SK Gas aims for a fair and transparent society free from corruption, with goals of "Zero cases of corruption and bribery (based on criminal punishment)," "Zero disciplinary actions for ethical management violations," and "Three hours of ethical training per employee." To achieve this, we are making various efforts in three aspects: enhancing external evaluation standards, spreading an ethical culture, and expanding systems.

2024 Ethical Management Goals

Key Tasks	Details
Enhancing External Evaluation Standards	<ul style="list-style-type: none">Evaluation of group ethical management measurement systemsSupport for improving the ethical management systems of subsidiaries
Spreading Ethical Culture	<ul style="list-style-type: none">Education by external lecturers / Establishment and posting of the English version of the Business Partner Code of EthicsOnline education and workshops on ethical managementActivities to improve the organizational culture of ethical practiceEthical management survey for employees and business partners
System Expansion	<ul style="list-style-type: none">Responding to ISO 37001 certification maintenance auditsCorruption prevention self-check (Manual improvement/ education and distribution of IT systems to one subsidiary)

Compliance & Ethics | Fair Trade

GOVERNANCE

SK Gas has established guidelines for supplier selection and management, the establishment and operation of an internal review committee, and the issuance and preservation of documents related to subcontracting to ensure fair contract agreements with transaction parties. These guidelines are reflected in contracts to adhere to the Monopoly Regulation and Fair Trade Act, and the Fair Transactions in Subcontracting Act.

Additionally, through the Fair Trade Compliance Manual, we provide cautionary points for complying with fair trade laws, and guidelines and standards of conduct for our members. In 2023, the Fair Trade Compliance Manual was revised to incorporate changes and amendments to fair traderelated laws and regulations. By continuously monitoring trends related to fair trade and reflecting them in our management system, we prevent risks.

Furthermore, in accordance with Article 542-13 of the Commercial Act, we appoint a compliance officer to prevent and manage legal risks across our corporate activities. The compliance officer is appointed through the Board of Directors and is responsible for checking adherence to compliance standards and conducting compliance training.

Go to [Fair Trade Compliance Management Regulations] >

Go to [Fair Trade Compliance Manual] >

STRATEGY

Fair Trade Compliance Activities

To prevent unfair trade practices, the internal review committee implements pre-review procedures and evaluates compliance with fair trade-related laws. In 2023, we conducted on-site compliance inspections targeting local sales branches. We visited sales branches in the eastern, western, and Jeju regions quarterly to check the management status of contract documents and held Q&A sessions on fair trade-related topics for our members.

Status of Fair Trade Law Violations

Category	Unit	2021	2022	2023
Acts of hindering competition, unfair trade practices like monopoly	cases	0	0	0
Number of cases of monetary sanctions for legal and regulatory violations	cases	0	0	0
Number of lawsuits for legal and regulatory violations	cases	0	0	0
Fines and settlements related to antitrust/anticompetitive acts	KRW 100 million	0	0	0
Litigation costs and fines for price-fixing	KRW 100 million	0	0	0
Violations related to product/ service information and labeling laws	cases	0	0	0
Number of cases of internal transaction law violations	cases	0	0	0
Number of cases of subcontracting law violations	cases	0	0	0

Fair Trade Education

To foster a leading compliance culture, SK Gas conducts fair trade-related education for all members or specific roles and responsibilities annually. In 2023, we visited local sales branches quarterly to provide customized fair trade education related to the duties of members managing LPG filling stations in the region.

METRICS & TARGET

SK Gas identifies and pursues short-term and longterm tasks related to fair trade based on the CP rating evaluation indicators announced by the Fair Trade Commission. We aim for “Zero violations of fair trade laws” and achieved this goal in 2023. In 2024, we plan to strengthen our risk management level by conducting risk assessments in specific areas.

Business Portfolio Management

New Business Investment Management

SK Gas operates the One Stop Support*(OSS) process for initial review when investing in new businesses, including existing businesses with an investment of over KRW 1 billion. This process involves proposal submission, preliminary consultation, reporting to management, final decision-making, and investment execution. From the proposal stage, the investment planning department communicates closely with the Financial RM Group and the Strategy Planning Office, the OSS's main departments, to identify items requiring review. The OSS department supports the enhancement of business structures and pre-risk management by conducting reviews based on the functions of each department. Following the review results, the investment planning department establishes an exit plan and post-review conditions for each stage of investment/business and executes the business through the final decision-making process.

* One Stop Support (since 2017): Company-wide support organization Virtual TF for pre-investment review support

OSS Departments and Key Review Items

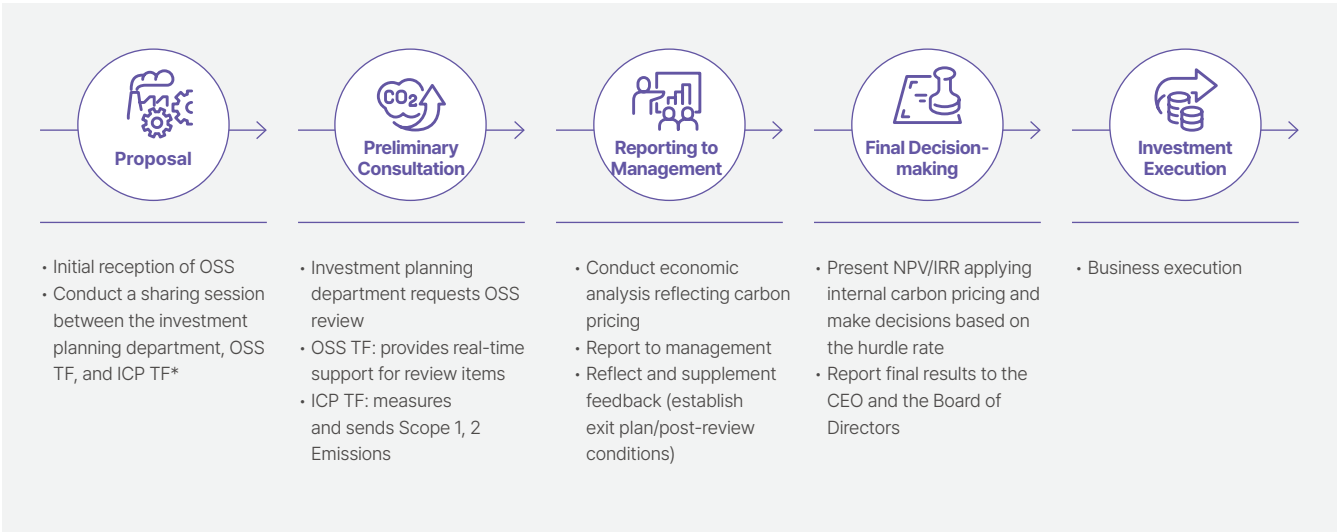
Responsible Organization	Key Review Items	Responsible Organization	Key Review Items
Finance RM Group	Comprehensive review	Legal Group	Contracts
	Review of new projects and businesses		Laws/Regulations
	Review of LPG/LNG business involving paper transactions		General meetings/Board of directors
Strategy Planning Office	Review of exit strategies and post-review conditions	ESG Operations Group, Research Center	ESG
	Significance of business/investment	SHE Planning Group	Internal carbon pricing
	Investment budget	Communication Group	SHE
	Decision-making process	Business Support Group	PR/CR
			Procurement/bidding
Finance Group	Collateral/insurance, funds	Development Technology Group	Estimated costs
Accounting Group	Accounting treatment/profit and loss		Other technical issues
Tax Group	Taxes	Value Innovation Office	Need for disclosure

Internal Carbon Pricing (ICP)

According to the Intergovernmental Panel on Climate Change (IPCC), carbon prices are expected to rise continuously to achieve carbon neutrality by 2050, significantly reducing the asset value of previously invested businesses, leading to stranded assets. SK Gas also noted the necessity of a comprehensive economic evaluation considering carbon pricing for effective implementation of its Net Zero Solution Provider vision in low-carbon business investments. Therefore, in 2024, we revised the investment business management regulations to consider both financial and non-financial elements during investment review. The existing OSS process will incorporate economic analysis reflecting internal carbon pricing, and based on this analysis, the net present value (NPV) and the internal rate of return (IRR) will be calculated and used in decision-making.

To avoid initial confusion, the economic analysis reflecting carbon pricing will be applied only to new businesses with investments over KRW 20 billion during the first phase (2024-2025), with plans to expand this gradually.

Investment Review Process Reflecting Internal Carbon Pricing



* Strategy Planning Office, Financial RM Group, Research Center, ESG Operations Group

Sustainability Communication

Enhancement of Shareholder Value

Transparent Disclosure

SK Gas discloses major management matters closely related to the interests of stakeholders, including investors, through the Data Analysis, Retrieval and Transfer System (DART), the Korea Exchange, and the SK Gas website.

For the 39th Annual General Meeting (AGM) held in 2024, we issued a convening notice three weeks in advance to increase shareholder participation and scheduled the AGM to avoid peak days. Additionally, matters confirmed through the resolutions of the AGM are immediately disclosed to shareholders and other stakeholders.

Status of General Meetings

Category	2021	2022	2023
Notice Date	March 2, 2022	February 28, 2023	February 27, 2024
AGM Date	March 24, 2022	March 23, 2023	March 21, 2024
Period Between Notice and AGM	22 days before AGM	23 days before AGM	

Protection of Shareholder Rights

SK Gas implements electronic voting and electronic proxy systems to encourage active exercise of shareholder voting rights and effectively gather and reflect shareholder opinions. The electronic voting system makes it easier for shareholders to exercise their voting rights on major management matters decided at the AGM, and the electronic proxy system allows them to delegate and exercise their voting rights. Additionally, during the AGM, we facilitate maximum freedom for attending shareholders to express opinions and ask questions about the agenda items.

Activation of Voting Rights

Category	2021	2022	2023
Introduction of Electronic Voting	Introduced	Introduced	Introduced
Encouragement of Proxy Voting for All Shareholders	Conducted	Conducted	Conducted
Avoidance of Peak Days for Regular AGMs	Yes	Yes	Yes

Establishment and Disclosure of Mid-Term Dividend Policy

To enhance shareholder value, SK Gas establishes and communicates its dividend policy through IR materials, regular reports, etc., to increase the stability and predictability of dividends. According to the dividend policy, we paid an interim dividend of KRW 2,000 per share and a year-end dividend of KRW 8,000 per share in 2023, resulting in a total cash dividend payment of KRW 71,800 million. Additionally, with the conclusion of the three-year (2021-2023) dividend policy established in 2021, we announced a new three-year (2024-2026) dividend policy in September 2023, linked to mid- to longterm business growth and strengthened shareholder returns. We plan to pursue a long-term upward dividend policy to continue our shareholder-friendly management.

Dividend Policy

(BASE) Annual Net Income Attributable to Owner of the Parent (Ordinary Operations) Compliance of 25% or More

- Changed the dividend criteria from previous separate net income
- Considered profit structure changes according to mid- to long-term growth directions

(+ALPHA) Active Consideration of Additional Shareholder Returns When Achieving Long-Term ROE Targets Exceeding 12%

- Additional returns considered through cash dividends or stock buybacks (divided over 1-3 years) if goals are exceeded, including non-recurring income* from LNG-LPG optionality execution
- Used as a resource for sustainable corporate value expansion

Continuous Implementation of Interim Dividends

- Strengthen shareholder-friendly management by continuing interim dividends along with year-end dividends

* Excludes non-recurring income from asset securitization, etc.

Sustainability Communication

Strengthening ESG Disclosure and Global Partnerships

ESG External Evaluation

SK Gas integrates ESG into its business strategy and undertakes various ESG activities, transparently disclosing related information. Through these efforts, SK Gas has been recognized for its excellence by ESG rating agencies.

(As of 2023)

Morgan Stanley Capital International (MSCI) ESG Rating:
AAA rating



Korea Institute of Corporate Governance and Sustainability(KCGS):
Integrated A+ | Environment A+
Social A+ | Governance A



Carbon Disclosure Project (CDP):
Leadership A



Participation in ESG Initiatives

SK Gas actively participates in various domestic and international ESG initiatives, striving to faithfully adhere to their guidelines to promote a sustainable future and environmental protection.



Hydrogen Convergence Alliance
Participation since: 2017

SK Gas joined the Hydrogen Convergence Alliance in February 2017, which was launched to achieve an early low-carbon hydrogen economy society. In addition, SK Gas is promoting the development of Zero Carbon Solution businesses to expand hydrogen energy and foster hydrogen-related industries.



Biz N Biodiversity Platform (BNBP)
Participation since: 2019

SK Gas has been a member of the Korea Business Council for Sustainable Development (KBCSD) since 2005 and has participated in the BNBP, established by KBCSD and the Ministry of Environment in 2016. Recognizing the importance of the natural environment, SK Gas undertakes activities to conserve ecosystems, such as publishing ecological books, creating SK Happy Forest Gardens, and engaging in coastal and marine pollution prevention activities.



Happiness Alliance
Participation since: 2020

The Happiness Alliance is a social safety net network created through the cooperation of businesses, the government, and citizens. Since 2020, SK Gas has been conducting the "Happy Two Meals Project," providing lunchboxes to children at risk of missing meals in collaboration with local communities to address child welfare issues.



Task Force on Climate-related Financial Disclosures (TCFD)
Participation since: 2020

TCFD is a global consortium established to encourage companies to disclose financial information related to climate change. Since 2020, SK Gas has been disclosing its climate change response activities in terms of governance, strategy, risk management, metrics, and targets following the TCFD recommendations.



Clean Ammonia Association
Participation since: 2022

The Clean Ammonia Association was established to support the dissemination of ammonia-based decarbonized fuel technologies and information exchange. It serves as the Korean cooperative network of the Clean Fuel Ammonia Association. SK Gas joined the Clean Ammonia Association in March 2022 as part of the vice-chairman group, supporting collaboration with industry and academia for the commercialization of decarbonized fuels using ammonia.

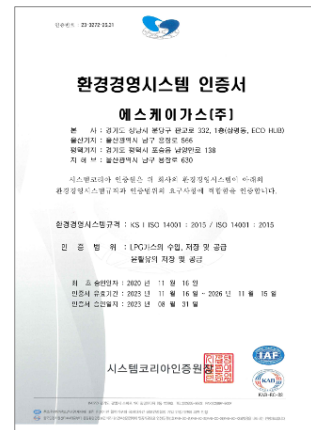


Sustainability Communication

Strengthening ESG Disclosure and Global Partnerships

Status of ESG-related External Certifications

SK Gas is committed to enhancing ESG management and sustainable development by faithfully implementing international standards in the areas of environment, society, and governance.



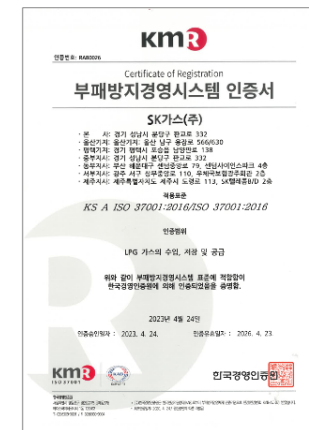
ISO 14001 (Environmental Management Systems)

Certification Validity Period:
November 16, 2023 -
November 15, 2026



ISO 45001 (Occupational Health and Safety Management Systems)

Certification Validity Period:
August 31, 2023 -
August 30, 2026



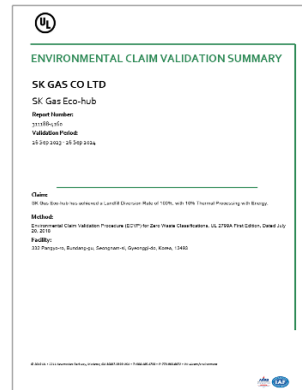
ISO 37001 (Anti-bribery Management Systems)

Certification Validity Period:
April 24, 2023 -
April 23, 2026



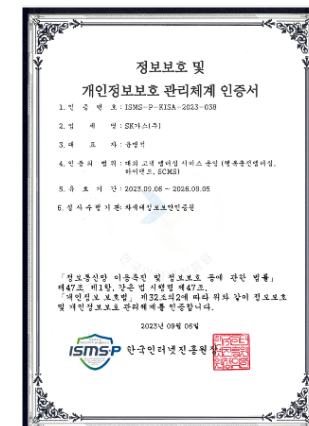
Zero Waste to Landfill (ZWTL)

Platinum - Ulsan/Pyeongtaek
Terminals
Gold - G.Hub
Certification Validity Period:
December 20, 2022 -
December 20, 2023



Zero Waste to Landfill (ZWTL)

Headquarters - 100%
Recycling Rate (including 16%
thermal recovery) Certification
Certification Validity Period:
September 26, 2023 -
September 26, 2024



ISMS-P

Certification Validity Period:
September 6, 2023 -
September 5, 2026



APPENDIX



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Financial Statements

39th Fiscal Year: December 31, 2023 (Present)

38th Fiscal Year: December 31, 2022 (Present)

37th Fiscal Year: December 31, 2021 (Present)

Consolidated Financial Position (Unit: KRW)

	39th Fiscal Year	38th Fiscal Year	37th Fiscal Year
Assets			
Current Assets	2,485,113,138,789	2,581,339,370,870	2,405,831,848,923
Cash and Cash Equivalents	493,752,033,069	404,791,629,643	162,690,548,829
Short-term Financial Assets	285,727,024,079	317,068,803,992	667,145,548,895
Accounts Receivable and Other Receivables	751,169,601,190	969,701,432,756	927,968,163,751
Derivatives Assets	213,504,381,138	49,115,757,816	81,739,168,550
Inventories	447,664,060,528	461,655,016,545	464,153,075,729
Other Current Financial Assets	71,077,692,357	168,341,050,077	38,258,697,222
Other Current Assets	62,933,140,351	51,380,473,964	63,876,645,947
Non-Current Assets Held for Sale	159,285,206,077	159,285,206,077	0
Non-Current Assets	3,596,698,272,384	3,250,437,520,701	2,715,703,622,910
Long-term Financial Assets	139,315,659,071	147,583,901,725	140,927,010,655
Accounts Receivable and Other Receivables	960,192,861	2,444,389,971	2,147,733,327
Derivatives Assets	22,559,827,222	106,409,476,736	52,824,512,285
Investments in Associates and Joint Ventures	749,872,894,953	735,981,472,944	850,024,867,889
Property, Plant, and Equipment	2,102,401,625,739	1,620,792,551,107	1,059,232,600,785
Intangible Assets	112,794,397,001	115,721,369,373	119,591,618,434
Right-of-use Assets	387,817,255,307	433,221,742,722	425,703,014,870
Net Defined Benefit Assets	5,213,605,901	9,729,305,819	0
Other Non-Current Financial Assets	33,018,006,880	33,371,406,586	34,639,764,665
Other Non-Current Assets	42,027,135,836	44,581,226,463	30,612,500,000
Deferred Tax Assets	717,671,613	600,677,255	0
Total Assets	6,081,811,411,173	5,831,776,891,571	5,121,535,471,833

(Unit: KRW)

	39th Fiscal Year	38th Fiscal Year	37th Fiscal Year
Liabilities			
Current Liabilities	1,460,923,784,096	1,742,517,071,826	1,441,957,908,268
Trade and Other Payables	389,973,548,585	342,816,925,674	286,939,585,720
Short-term Interest-bearing Debt	717,270,001,088	899,681,398,242	796,493,517,728
Current Portion of Bonds	169,877,966,499	149,920,649,456	199,953,852,474
Derivative Liabilities	55,957,029,632	204,040,928,350	33,041,826,530
Income Taxes Payable	41,683,526,531	67,795,611,024	55,461,904,287
Current Lease Liabilities	57,698,541,704	63,466,702,564	60,535,330,612
Other Current Financial Liabilities	149,360,390	260,081,394	0
Other Current Liabilities	28,313,809,667	14,534,775,122	9,531,890,917
Non-Current Liabilities	2,032,581,859,576	1,748,364,673,498	1,562,214,171,676
Accounts Payable and Other Payables	0	31,422,268,626	0
Bonds	1,267,232,286,362	1,216,661,474,646	1,066,657,697,161
Long-term Interest-bearing Debt	333,373,331,437	46,547,634,881	0
Derivative Liabilities	0	113,606,696	0
Defined Benefit Liabilities	259,956,299	0	2,237,654,709
Deferred Tax Liabilities	97,188,724,154	67,196,623,519	119,642,303,818
Lease Liabilities	292,158,415,386	349,353,765,869	338,523,680,236
Other Non-Current Financial Liabilities	36,632,662,614	35,539,778,232	34,377,458,899
Other Non-Current Liabilities	5,736,483,324	1,529,521,029	775,376,853
Total Liabilities	3,493,505,643,672	3,490,881,745,324	3,004,172,079,944
Equity			
Attributable to Owners of Parent	2,581,072,226,048	2,340,895,146,247	2,117,363,391,889
Capital Stock	46,151,220,000	46,151,220,000	46,151,220,000
Capital Surplus	195,492,192,871	195,492,192,871	195,492,192,871
Other Capital	(20,923,441,796)	(21,810,258,103)	(22,021,646,908)
Accumulated Other Comprehensive Income	7,303,495,376	10,908,201,585	(3,390,785,029)
Retained Earnings	2,353,048,759,597	2,110,153,789,894	1,901,132,410,955
Non-Controlling Interests	7,233,541,453	0	0
Total Equity	2,588,305,767,501	2,340,895,146,247	2,117,363,391,889
Total Liabilities and Equity	6,081,811,411,173	5,831,776,891,571	5,121,535,471,833

Financial Statements

39th Fiscal Year: January 1, 2023, to December 31, 2023
38th Fiscal Year: January 1, 2022, to December 31, 2022
37th Fiscal Year: January 1, 2021, to December 31, 2021

Consolidated Statement of Comprehensive Income (Unit: KRW)

	39th Fiscal Year	38th Fiscal Year	37th Fiscal Year
Sales Revenue	6,992,257,390,856	8,066,169,118,262	6,494,513,185,952
Cost of Sales	6,376,109,851,782	7,388,052,567,355	6,125,370,606,275
Gross Profit	616,147,539,074	678,116,550,907	369,142,579,677
Selling and Administrative Expenses	312,552,070,344	287,645,560,525	263,680,215,159
Operating Profit	303,595,468,730	390,470,990,382	105,462,364,518
Financial Income	615,162,792,063	716,410,582,741	448,766,401,101
Financial Costs	434,266,908,867	758,498,304,503	342,900,338,096
Other Non-Operating Income	23,906,634,963	19,478,611,230	62,714,449,214
Other Non-Operating Expenses	18,928,260,513	14,301,617,520	13,469,760,972
Share of Profit (Loss) of Associates and Joint Ventures	(51,497,933,213)	(48,816,285,296)	69,034,562,958
Profit Before Income Tax	437,971,793,163	304,743,977,034	329,607,678,723
Income Tax Expense	(121,681,184,701)	(47,666,229,062)	(80,341,793,803)
Net Profit	316,290,608,462	257,077,747,972	249,265,884,920
Other Comprehensive Income	(9,722,274,515)	20,990,398,181	5,802,878,158
Items that may be reclassified subsequently to profit or loss			
Changes in Equity of Associates	2,607,605,799	18,329,281,246	15,078,398,335
Gain (Loss) on Derivatives	(7,088,933,361)	(15,246,949,209)	(22,559,636,380)
Foreign Currency Translation Gains (Losses)	3,366,605,981	16,824,775,605	12,338,794,553
Items that will not be reclassified subsequently to profit or loss			
Retained Earnings from Equity Method Investments	(585,654,137)	7,032,303,330	(2,115,596,710)
Changes in Equity of Associates	0	0	1,018,864
Other Comprehensive Income - Gains (Losses) on Financial Assets Measured at Fair Value	(2,524,751,656)	(5,608,121,028)	4,087,197,380
Remeasurements of Defined Benefit Obligations	(5,497,147,141)	(340,891,763)	(1,027,297,884)
Total Comprehensive Income	306,568,333,947	278,068,146,153	255,068,763,078

(Unit: KRW)

	39th Fiscal Year	38th Fiscal Year	37th Fiscal Year
Attribution of Net Income (Loss)			
Owners of the Parent	316,290,615,981	257,077,747,972	249,265,884,920
Non-Controlling Interests	(7,519)	0	0
Attribution of Total Comprehensive Income (Loss)			
Owners of the Parent	306,603,108,494	278,068,146,153	255,068,763,078
Non-Controlling Interests	(34,774,547)	0	0
Earnings Per Share			
Basic Earnings (Loss) Per Share (Unit: KRW)	35,241.0	28,644.0	27,773.0
Diluted Earnings (Loss) Per Share (Unit: KRW)	35,101.0	28,559.0	27,692.0

ESG Data

Environment

Greenhouse Gas

Category	Unit	2021	2022	2023
Emissions Target	tCO ₂ eq	(Base Year) ¹⁾	32,409	31,747
Total Emissions (Scope 1, 2)	tCO ₂ eq	35,478	32,383	30,794
Direct Emissions (Scope 1)	tCO ₂ eq	23,481	23,817	23,450
Indirect Emissions (Scope 2)	tCO ₂ eq	11,997	8,566	7,344
Other Indirect Emissions (Scope 3) ²⁾	tCO ₂ eq	11,601,210	11,942,582 ³⁾	11,782,399
GHG Intensity (Emission Intensity)	tCO ₂ eq/KRW billion	5.46	4.01 ⁴⁾	4.40
Reduction Performance (Average Improvement in intensity)	%	N/A	26.56	-9.83
Reduction Rate (Achievement to Target)	%	N/A	0.08	3.00

1) Corrected 2021 data due to base year marking error
2) Scope 3 Calculation Scope: All categories 1-15, with third-party verification for categories 1, 10, 11 (98.9% of total Scope 3 emissions in 2023)
3) Some items in the 2022 Scope 3 data were corrected due to aggregation errors.
4) Recalculated based on consolidated sales revenue

Energy

Category	Unit	2021	2022	2023
Total Energy Consumption	TJ	678	631	611
General Energy (Non-renewable)	Total Non-renewable Energy Consumption	TJ	654	630 ¹⁾
	Fuel	TJ	400	395
	Electricity	TJ	242	225
	Steam	TJ	12	9
	Reduction Achievement (Average Improvement in Intensity)	%	28.6	22.4
Renewable Energy	Total Renewable Energy Consumption	TJ	24.28	53.58
	Solar	TJ	0.2784	0.5558
	REC	TJ	-	53.02
	Green Premium	TJ	24	-
	Renewable Energy Electricity Usage Ratio ²⁾	%	10.05	23.76
Energy Intensity	TJ/KRW billion	0.10	0.08	0.10

1) Data corrected due to data entry error
2) Renewable Energy Electricity Usage Ratio = (Solar + REC + Green Premium) / Total Electricity Consumption

Water

Category	Unit	2021	2022	2023
Total Water Withdrawal	ton	31,097	29,178	33,843
Municipal Water	ton	31,097	29,178	33,843
Groundwater	ton	-	-	-
Other (e.g., rainwater)	ton	-	-	-
Intensity	ton/KRW billion	4.79	3.62 ¹⁾	4.84
Total Water Consumption	ton	33,478	31,891	37,366
Water Reused Amount	ton	2,381	2,713	3,523
Water Reused Ratio	%	7.1	8.5	9.4

1) Recalculated based on consolidated sales revenue

Environmental Investment

Category	Unit	2021	2022	2023
Total	KRW million	2,136	1,096	1,182
Ulsan	KRW million	1,366	789	690
KRW million	KRW million	700	123	492
Pyeongtaek	KRW million	70	184	-

Environmental Participation

Category			Unit	2021	2022	2023
Environmental Education	Managers Handling Substances	Number of Participants	persons	17	45	46
		Education Hours	hours	272	720	736
		Education Hours per Person	hours	16	16	16
		Participation Rate	%	100	100	100
	General Employees	Number of Participants	persons	81	50	62
		Education Hours	hours	162	100	124
		Education Hours per Person	hours	2	2	2
		Participation Rate	%	100	100	100
		Environmental Incident Response Training	impleme- ntation	implemented	implemented	implemented
Environmental Certification	Ratio of ISO 14001 Certified Sites	%	100	100	100	
Environmental Regulation Violations	Regulatory Violations	cases	-	-	-	
	Fines and Penalties	KRW million	-	-	-	

ESG Data

Environment

Pollutants and Wastes

Category		Unit	2021	2022	2023
Nitrogen Oxides (NOx)	Emissions	ton	17.28	17.43	17.82
	Intensity	ton/KRW billion	0.0027	0.0022 ¹⁾	0.0025
	Emission Concentration (Ulsan Terminal) (Legal Standard)	ppm	150	150	150
	Emission Concentration (Pyeongtaek Terminal) (Legal Standard)	ppm	150	150	150
	Emission Concentration (G.Hub)	ppm	-	-	-
Sulfur Oxides (SOx)	Emissions	ton	0.07	0.06	0.06
	Intensity	ton/KRW billion	0.00001	0.00001	0.00001
	Emission Concentration (Ulsan Terminal) (Legal Standard)	ppm	200	200	200
	Emission Concentration (Pyeongtaek Terminal) (Legal Standard)	ppm	200	200	200
	Emission Concentration (G.Hub)	ppm	-	-	-
Air Pollutant Emissions	Volatile Organic Compounds (VOCs)	Emissions	ton	-	-
		Intensity	ton/KRW billion	-	-
	Hydrocarbons (HC)	Emissions	ton	-	-
	Methane (CH4)	Emissions	ton	-	-
	Nitrous Oxide (N2O)	Emissions	ton	-	-
	Hazardous Air Pollutants (HAPs)	Emissions	ton	-	-
	Hydrofluorocarbons (HFCs)	Emissions	ton	-	-
	Perfluorocarbons (PFCs)	Emissions	ton	-	-
	Sulfur Hexafluoride (SF6)	Emissions	ton	-	-
	Hydrogen Sulfide (H2S)	Emissions	ton	-	-
	Particulate Matter (PM10)	Emissions	ton	0.53	0.54
		Intensity	ton/KRW billion	0.0001	0.0001
		Emission Concentration (Legal Standard)	mg/m ³	30	30

1) Recalculated based on consolidated sales revenue

Category		Unit	2021	2022	2023
Water Pollutants	Chemical Oxygen Demand (COD)	Emissions	ton	-	-
		Intensity	ton/KRW billion	-	-
	Biochemical Oxygen Demand (BOD)	Emissions	ton	-	-
		Intensity	ton/KRW billion	-	-
	Suspended Solids (SS)	Emissions	ton	-	-
		Intensity	ton/KRW billion	-	-
	Total Nitrogen (T-N)	Emissions	ton	-	-
		Intensity	ton/KRW billion	-	-
	Wastewater	Treatments	ton	-	-
	Total Waste Generated	ton	750.7	973.1	538.8
Wastes	General Wastes	ton	101.9	438.8	169.2
	Designated Wastes	ton	648.9	534.3	369.6
	Intensity	ton/KRW billion	0.1156	0.1206 ¹⁾	0.077
	Reduction Performance (Average Improvement in Intensity)	%	35.4	-4.4	36.1
	Total Waste Disposal	ton	750.7	973.1	538.8
	Recycling	ton	714.6	953.8	524.9
	Incineration	ton	36.1	19.3	12.4
	Landfill	ton	-	-	1.5
	Recycling Rate ²⁾	%	97.7	98.8	98.2
	Emissions	ton	648.9	534.3	369.6
Hazardous Wastes	Reduction Performance (Average Improvement in Intensity)	%	32.3	33.7 ¹⁾	20.2
	Recycling Rate	%	97.0	98.6	98.9

1) Recalculated based on consolidated sales revenue

2) The recycling rate for waste is calculated using the Zero Waste to Landfill (ZWL) recycling rate formula

ESG Data

Social

Occupational Health and Safety

Category		Unit	2021	2022	2023
Total (Employees + Supplier)	Fatalities	persons	0	0	0
	Fatality Rate	%	0	0	0
	Lost Time Injuries (LTI)	cases	2	1	0
	Lost Time Injury Rate (LTIR)	cases/200,000 hours worked	0.24	0.11	0
	Total Recordable Incident Rate (TRIR)	cases/200,000 hours worked	0.24	0.23	0.21
Industrial Accidents	Total Hours Worked	hours	1,033,078	1,100,244	1,210,688
	Total Number of Workers	persons	582	614	653
	Fatalities	persons	0	0	0
	Fatality Rate	%	0	0	0
	Lost Time Injuries (LTI)	cases	0	0	0
	Lost Time Injury Rate (LTIR)	cases/200,000 hours worked	0	0	0
	Total Recordable Incident Rate (TRIR)	cases/200,000 hours worked	0	0.18	0
	Occupational Illnesses	cases	0	0	0
	Occupational Illness Frequency Rate (OIFR)	cases/200,000 hours worked	0	0	0
	Industrial Accident Rate	%	0	0	0
	Severity Rate	‰	0	0	0
	Absentee Rate	%	0	0	0
	Number of Employees Managed as High-Risk	persons (%)	0(0)	0(0)	0(0)
	Near-Miss Incidents (Regular Employees)	persons	37	74	86
	Near-Miss Incident Rate (Regular Employees)	%	8	14	14
	Near-Miss Incidents (Non-Regular Employees)	persons	0	0	0
	Near-Miss Incident Rate (Non-Regular Employees)	%	0	0	0
	Fatalities	persons	0	0	0
	Fatality Rate	%	0	0	0
Supplier's Employee	Lost Time Injuries (LTI)	cases	2	1	0
	Lost Time Injury Rate (LTIR)	cases/200,000 hours worked	0.65	0.32	0
	Total Recordable Incident Rate (TRIR)	cases/200,000 hours worked	0.65	0.32	0.56

Category		Unit	2021	2022	2023
Industrial Safety Management	Safety Management	Risk Assessment	annual count	1	1
		Supplier Safety Prevention Management	implementation	imple- mented	imple- mented
	Health Support	Physical Health Care Support	implementation	imple- mented	imple- mented
		Mental Health Care Support	implementation	imple- mented	imple- mented
Health Checkup Support and Implementation Status	Comprehensive Health Checkups	Eligibility for Checkups	persons	557	600
		Completed Checkups	persons	483	499
	Health and Welfare Program Utilization Rate (Employee Participation)		%	86.7	83.2
	Special Checkup	Eligibility for Checkups	persons	33	87
		Completed Checkups	persons	33	87
Health and Safety Training	Employees	Training Hours per Person	hours	18	16
		Training Cost per Person	KRW	20,045	80,000
		Participation Rate	%	100	100
	Suppliers	On-site Health and Safety Training for Suppliers' Employees	implementation	imple- mented	imple- mented
		Number of Serious Accidents	cases	0	0
Regulatory Violations	Safety Accidents	Number of Process Safety Incidents	cases/200,000 hours worked	0	0
		Number of Violations	cases	0	0
	Regulatory Violations	Penalties	KRW thousand	0	0
		Fines	KRW thousand	0	0
	Total	KRW million	6,810	6,195	6,320
Investment in Occupational Health and Safety	Headquarters	KRW million	70	518	64
	Ulsan	KRW million	2,400	3,949	1,537
	Pyeongtaek	KRW million	105	501	1,073
	G.Hub	KRW million	4,235	1,227	3,646



ESG Data | Social

Employee Status

Category		Unit	2021 ¹⁾	2022 ¹⁾	2023
Number of Employees	Total Number of Employees	persons	582	614	653
	Under 30	persons	74	76	78
	Manager				
	30 to under 50	persons	346	364	391
	50 and over	persons	81	91	88
	Under 30	persons	-	-	0
	PL				
	30 to under 50	persons	28	34	43
	50 and over	persons	22	15	16
	Under 30	persons	-	-	0
	Executives				
	30 to under 50	persons	10	10	13
	50 and over	persons	21	24	24
	Manager				
	Female	persons	105	123	135
	Male	persons	396	408	422
	PL				
	Female	persons	6	7	12
	Male	persons	44	42	47
	Executives				
	Female	persons	1	1	1
	Male	persons	30	33	36
Employment Type	Regular Employees	persons	536	565	600
	Non-Regular Employees	persons	46	49	53
	Gender				
	Female	persons	112	130	148
	Male	persons	470	484	505
Workforce Diversity	Female				
	Number of Managers (PL)	persons(%)	6(12.0)	7(14.3)	12(20.3)
	Number of Executives	persons(%)	1(3.2)	1(2.9)	1(2.7)
	Total Number of Persons	persons	18	15	16
	Standard for Calculating the Disability Employment Levy	persons(%)	23(4.0)	22(3.6)	25(3.8)
	Persons of National Merit				
	Total Number of Persons	persons(%)	13(2.2)	11(1.8)	10(1.5)

Category		Unit	2021	2022	2023
Workforce Diversity	Total Number of Persons	persons(%)	2(0.34)	2(0.33)	2(0.31)
	Foreigners				
	USA	persons(%)	1(0.17)	1(0.16)	1(0.15)
	Canada	persons(%)	1(0.17)	1(0.16)	1(0.15)
	Total New Hires	persons	122	131	94
New Hires	Under 30	persons(%)	39(32)	38(29)	29(31)
	Age				
	30 to under 50	persons(%)	65(53)	73(56)	56(60)
	50 and over	persons(%)	18(15)	20(15)	9(9)
	Employment Type				
	Regular Employees	persons(%)	93(76)	98(75)	74(79)
	Non-Regular Employees	persons(%)	29(24)	33(25)	20(21)
	Gender				
	Female	persons(%)	32(26)	39(30)	34(36)
	Male	persons(%)	90(74)	92(70)	60(64)
Turnover and Tenure	Total Turnover	persons	65	57	57
	Turnover				
	Voluntary Turnover	persons	65	37	24
	Voluntary Turnover Rate ¹⁾	%	11.2	6.0	4.1
	Average Tenure (Regular Employees)				
	Average Tenure	years	8.0	7.9	7.9
	Male	years	8.4	8.3	8.3
	Female	years	6.2	6.2	6.1
	Average Tenure (Non-Regular Employees)				
	Average Tenure	years	1.6	2.0	2.4
	Male	years	2.2	2.8	3.2
	Female	years	1.0	1.1	1.5

1) Turnover rate is calculated based on total employees from the previous year (avoids double counting of turnover during the year)

1) Data corrected due to data entry error

2) The number of employees with disabilities was calculated based on the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities, a domestic legal standard.



ESG Data | Social

Performance Evaluation and Compensation

Category			Unit	2021	2022	2023
Performance Evaluation	Ratio of Those Subject to Competency Development Evaluation System		%	100	100	100
	Long-term Incentives	Stock Options	%	0.34	0.16	0.00
		Free Allocation of Employee Stock Ownership	%	75	74	86
Com-pensation	Salary	Average Salary of Employees	KRW thousand	96,046	112,523	111,236
		Male	KRW thousand	103,394	123,636	122,709
		Female	KRW thousand	65,212	71,145	72,088

Employee Education

Category			Unit	2021	2022	2023
Education	Education Hours per Employee		hours	77.7	66.3	71.3
	Education Cost per Employee		KRW million	6.2	8.0	9.4
	Participation Rate		%	100	100	100
Number of Participants in Major Educational Programs	mySUNi	Number of Participants	persons	523	562	600
		Education Hours per Person	hours	63.5	70.0	64.1
	Language Education Support	Average Number of Participants per Month	persons	63	51	44
Culture Survey	New Leader Course	Total Participants	persons	3	19	12
	Total	Average Score for the Competency Development and Growth-related Questions	points	74.1	70.5	72.3
	Specific Questions	Efforts in Competency Development	points	74.6	73.2	74.4
		Employee Growth	points	69.6	67.8	70.1

Employee Welfare

Category			Unit	2021	2022	2023
Employee Benefits	Total Employee Benefits Expenses		KRW million	17,966	15,946	23,153
Work-Life Balance	Flexible Work System Participation Rate ¹⁾		%	-	87	88
Parental Leave	Number of Employees on Parental Leave	Male	persons	-	3	1
		Female	persons	4	5	4
	Return to Work after Parental Leave	Male	persons(%)	-	1(100)	2(66)
		Female	persons(%)	3(100)	2(100)	5(100)
	Employees Working 12+ Months After Parental Leave	Male	persons(%)	-	-	1(100)
		Female	persons(%)	3(100)	3(100)	2(100)
Culture Survey	Total	Average Satisfaction Score for Work-Life Balance Questions	points	71.6	70.1	71.8
	Specific Questions	Company	points	70.1	68.4	70.3
		Life	points	75.0	74.4	75.3
		Balance	points	68.7	67.1	68.2
		Expectations	points	72.4	70.0	73.2

1) Recalculated since the introduction of the work-hour management system (2022)

Human Rights Management

Category			Unit	2021	2022	2023
Handling Reports	Number of Reports		cases	-	4	3
	Number of Reports Handled		cases	-	4	3
Regulatory Violations	Number of Violations		cases	-	-	-
	Penalties		KRW thousand	-	-	-
	Fines		KRW thousand	-	-	-
Human Rights Impact Assessment	Implementation of Human Rights Impact Assessment		implementation	imp- lemented	imp- lemented	imp- lemented
	Ratio of Sites Assessed for Human Rights Impact		%	100	100	100
Human Rights Education	Education Hours per Person		hours	3.0	3.5	4.2
	Participation Rate		%	100	100	100



ESG Data | Social

Supply Chain Management

Category		Unit	2021	2022	2023
Number of Suppliers	Total Number of Suppliers	suppliers	264	288	284
	Number of Newly Registered Suppliers	suppliers	88	93	83
ESG Risk Assessment for Suppliers	Total	suppliers	6	24	18
	Number of Assessed Suppliers	suppliers	-	16	15
	Number of Voluntarily Participating Suppliers	suppliers	-	8	3
	Total	suppliers	4	24	5
	Number of High-risk Suppliers	suppliers	-	16	4
	Number of Voluntarily Participating Suppliers	suppliers	-	8	1
	Number of Suppliers Implementing Improvement Measures	suppliers	4	16	5
	Implementation Rate of Improvement Measures	%	100	66.7	100
	Percentage of High-risk Suppliers	%	66.7	100	26.7
	Total purchase amount	KRW 100 million	609	740 ¹⁾	1,367
Purchasing	Win-win Purchase	KRW 100 million	7.0	12.3	1.9
	Percentage of Green Product Purchases	%	1.1	1.7	0.1
Support	Support for Human Rights and Ethical Management of Supplier Employees	implementation	imp- lemented	imp- lemented	imp- lemented
	Support for Job Competency Development Education for Supplier Employees	implementation	imp- lemented	imp- lemented	imp- lemented

1) Excludes Ulsan New Port CEC Construction Project worth KRW 420.9 billion

2) Calculated based on the purchase performance of products with eco-friendly certification marks

Information Security

Category		Unit	2021	2022	2023
Data Breaches	Total Number of Data Breaches	cases	1	-	-
	Number of Customer Information Breaches	cases	-	-	-
	Fines for Data Breach-Related Violations	KRW thousand	-	-	-
Education	Privacy Protection Education	implementation	imp- lemented	imp- lemented	imp- lemented
	Information Security Education	hours	1	1	1
	Participation Rate	%	100	100	100

Community Engagement

Category		Unit	2021	2022	2023
Social Contribution Expenses	Green	KRW 100 million	1	2	2
	Health	KRW 100 million	28	59	46
	Hope (Vulnerable Groups)	KRW 100 million	4	11	68
	Other (Including Shared Growth)	KRW 100 million	19	16	18
	Donation Amount	KRW million	1,276	1,363	1,127
Social Contribution Programs	Hope Maker	persons	50	54	57
	Target Areas	areas	3	3	3
	Ecosystem Protection Activities (regional)	activities	2	2	0
	Number of Ecology Protection Booklets	copies	20,000	20,000	0
	Support for LPG Pipeline Installation	cumulative households	6,000	6,817	7,582
Hope Charging Fund	Scholarships for Taxi Drivers' Children	cumulative number of people	2,596	2,858	2,858
Volunteer Activities	Volunteer Hours per Employee	hours	2.4	4.4	3.4
	Number of Participating Employees	persons	179	275	283
	Participation Rate of Employees in Volunteer Activities	%	33.3	46.8	48.0

ESG Data | Governance

Board Leadership

Category			Unit	2021	2022	2023
Board Meeting Status	Meetings held	Number of Meetings Held	sessions	13	15	13
	Reporting and Resolution	Number of Reporting Agendas	agendas	23	20	24
		Number of Resolution Agendas	agendas	31	35	28
	Opinions by Item	Approved	agendas (%)	31(100)	34(97.1)	28(100)
		Opposed	agendas (%)	0(0)	0(0)	0(0)
		Modified	agendas (%)	0(0)	0(0)	0(0)
		Abstained	agendas (%)	0(0)	0(0)	0(0)
		Deferred	agendas (%)	0(0)	1(2.9)	0(0)
Board Independence, Expertise, and Diversity	Independence	Percentage of outside directors on the board	%	57.1	57.1	57.1
		CEO and board chair	seperation	seperated	seperated	seperated
		Limitation on other positions	positions	1	1	1
	Expertise	Directors with industry experience	%	42.85	42.85	42.85
		Financial experts	persons	2	2	2
	Diversity	Board diversity policy	establishment	established	established	established
		Female directors	%	14.3	14.3	14.3
	Efficiency	Average term	years	5.3	6.3	5.6
		Attendance Rate	%	97.8	96.8	96.7
Board Committees	Outside Director Candidate Recommendation Committee	Number of Members	persons	3	3	3
		Outside Director Ratio	%	100	100	100
		CEO Participation	participation	not participated	not participated	not participated
		Number of Meetings Held	sessions	2	2	2
		Attendance Rate	%	100	100	100
		Number of Resolution Agendas	agendas	4	1	1
		Number of Reporting Agendas	agendas	0	1	1

Category		Unit	2021	2022	2023		
Board Committees	Audit Committee Operations	Number of Members	persons	3	3	3	
		Outside Director Ratio	%	100	100	100	
		Chairperson's Financial Expertise	establishment	established	established	established	
		Number of Financial Experts	persons	1	1	1	
		Number of Meetings Held	sessions	11	11	13	
		Attendance Rate	%	100	100	100	
		Number of Resolution Agendas	agendas	18	17	13	
		Number of Reporting Agendas	agendas	6	8	15	
		Number of Opposing/Amending Opinions	items	0	0	0	
	ESG Committee Operations	Number of Members	persons	3	3	3	
		Outside Director Ratio	%	66.7	66.7	66.7	
		Number of Meetings Held	sessions	3	4	8	
		Attendance Rate	%	100	100	96	
		Number of Resolution Agendas	agendas	1	1	1	
		Number of Reporting Agendas	agendas	3	8	16	
		Personnel Committee Operations	Number of Members	persons	3	3	3
			Outside Director Ratio	%	66.7	66.7	66.7
			Number of Meetings Held	sessions	3	5	4
	Attendance Rate		%	89	80	92	
	Number of Resolution Agendas		agendas	1	0	0	
Number of Reporting Agendas	agendas		4	10	9		
Board Respon-sibilities	Reduction of Liability for Independent Directors	Liability Insurance for Directors	insurance	insured	insured	insured	
		Problems Related to Leadership	cases	0	0	0	
Board Compensa-tion Disclosure and Stock Ownership Status	Compensation	Inclusion of ESG in CEO Performance Indicators	inclusion	included	included	included	
		Individual Compensation Criteria and Amounts	disclosure	disclosed	disclosed	disclosed	
	Stock Ownership	National Pension Fund Shareholding Ratio	%	5.36	6.80	-	
		Controlling Shareholder Stock Ownership Ratio	%	72.35	72.20	72.20	



ESG Data

Governance

Compliance & Ethics

Category		Unit	2021	2022	2023	
Ethics Education	Anti-Corruption/ Ethical Management Education Status	Education Hours per Person ¹⁾	hours	3.5	3.5	5
		Participation Rate	%	100	100	100%
		Education for Non-regular Employees	inclusion	included	included	included
		Sexual Harassment Prevention, Workplace Bullying Prevention Education	implementation	imple- mented	imple- mented	imple- mented
Ethical Counseling/ Reporting System	Ethical Management Report Reception (by Informant)	Employees	cases	4	0	1
		Suppliers	cases	0	2	3
		Customers	cases	0	4	4
		Others	cases	1	1	1
	Processing Results	Investigation (Audit)	cases	1	1	1
		Transfers to Relevant Departments	cases	1	1	1
		Others (Dismissal, etc.)	cases	3	5	7
Fair Trade	Measures and Violations Related to Anti-corruption and Anti-competitive Practices	Acts of hindering competition, unfair trade practices like monopoly	cases	0	0	0
		Number of cases of monetary sanctions for legal and regulatory violations	cases	0	0	0
		Number of lawsuits for legal and regulatory violations	cases	0	0	0
		Fines and settlements related to antitrust/anti-competitive acts	KRW 100 million	0	0	0
		Litigation costs and fines for price- fixing	KRW 100 million	0	0	0
		Violations related to product/service information and labeling laws	cases	0	0	0
		Number of cases of internal transaction law violations	cases	0	0	0
		Number of cases of subcontracting law violations	cases	0	0	0

1) Includes training on sexual harassment prevention and workplace bullying prevention

Sustainability Communication

Category		Unit	2021	2022	2023	
Enhance- ment of Shareholder Value		Disclosure of Dividend Policy	disclosure	disclosed	disclosed	disclosed
	Status of General Meetings	Notice Date	-	Mar.2, 2022	Feb.28, 2023	Feb.27, 2024
		AGM Date	-	Mar.24, 2022	Mar.23, 2023	Mar.21, 2024
	Activation of Voting Rights	Introduction of Electronic Voting	introduction	introduced	introduced	introduced
		Encouragement of Proxy Voting for All Shareholders	implementation	imple- mented	imple- mented	imple- mented
Cash Dividend Status	Interim Dividend per Share		KRW	-	1,000 (first imple- mentation)	2,000
	Year-end Dividend per Share		KRW	5,100	5,500	6,000
	Total Cash Dividends		KRW million	45,773	58,338	71,800

GRI Standards

GRI Reporting Standards (GRI 1)

Statement of use	SK Gas reports its sustainable management activities and key achievements from January 1, 2023, to December 31, 2023, in accordance with GRI standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	GRI 11: Oil and Gas Sector 2021

General Disclosures

Category	Indicator		Page	Remarks
GRI 2: General Disclosures 2021	2-1	Organization Details	6-8	
	2-2	Entities Included in the Organization's Sustainability Reporting	2	
	2-3	Reporting Period, Frequency and Contact Point	2	
	2-4	Restatements of Information	97-98	Corrections of some environmental data errors
	2-5	External Assurance	119-120	
	2-6	Activities, Value Chain, and Other Business Relationships	6-7, 10-15	
	2-7	Employees	100	
	2-8	Workers who are not Employees	100	
	2-9	Governance Structure and Composition	81	
	2-10	Nomination and Selection of the Highest Governance Body	82	
	2-11	Chair of the Highest Governance Body	81	
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	83	
	2-13	Delegation of Responsibility for Managing Impacts	83	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	83	
	2-15	Conflicts of Interest	82	

Category	Indicator		Page	Remarks
GRI 2: General Disclosures 2021	2-16	Communication of Critical Concerns	81	
	2-17	Collective Knowledge of the Highest Governance Body	84	
	2-18	Evaluation of the Performance of the Highest Governance Body	84	
	2-19	Remuneration Policies	84	
	2-20	Process to Determine Remuneration	84	
	2-21	Annual Total Compensation Ratio	84	
	2-22	Statement on Sustainable Development Strategy	5	
	2-23	Policy Commitments	60	
	2-24	Embedding Policy Commitments		
	2-25	Processes to Remediate Negative Impacts	31, 58, 62-63, 66	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	50, 61, 88	
	2-27	Compliance with Laws and Regulations	104	
	2-28	Membership Associations	113	
	2-29	Approach to Stakeholder Engagement	24-25	
	2-30	Collective Bargaining Agreements	58	

GRI Standards

Material Topic & Topic Standards

Category		Indicator	Page	GRI11	Remarks
GRI 3: Material Topics 2021	3-1	Process to Determine Material Topics	19	-	
	3-2	List of Material Topics	20	-	
Topic 1: Climate Change Mitigation				Key Material Topic	
GRI 3: Material Topics 2021	3-3	Management of Material Topics	22	11.11	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	97	11.1.5	
	305-2	Energy indirect (Scope 2) GHG emissions	97	11.1.6	
	305-3	Other indirect (Scope 3) GHG emissions	97	11.1.7	
	305-4	GHG Emission Intensity	97	11.1.8	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	29	11.2.2	
	305-5	Reduction of GHG Emissions	32-33	11.2.3	
	305-6	Emissions of Ozone-Depleting Substances (ODS)	-	-	Not applicable
Topic 2: Occupational Health & Safety				Key Material Topic	
GRI 3: Material Topics 2021	3-3	Management of Material Topics	22	11.9.1	
GRI 403: Occupational Health and Safety	403-1	Occupational Health and Safety Management System	46	11.9.2	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	49, 51-52	11.9.3	
	403-3	Occupational Health Services	45	11.9.4	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	50	11.9.5	
	403-5	Worker Training on Occupational Health and Safety	45, 48	11.9.6	
	403-6	Promotion of Worker Health	46	11.9.7	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	44	11.9.8	
	403-8	Workers Covered by an Occupational Health and Safety Management System	45	11.9.9	

Category		Indicator	Page	GRI11	Remarks
GRI 403: Occupational Health and Safety	403-9	Work-related Injuries	99	11.9.10	
	403-10	Work-related ill health	99	11.9.11	
Topic 3: Eco-Friendly Business Model				Key Material Topic	
Non-GRI	-	-	-	-	No Relevant GRI Topic Standards
Topic 4: Protection of Consumer and End-User Rights					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	47	11.3.1	
GRI 416: Customer Health and Safety	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	48	11.3.3	
	416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	89	-	
Topic 5: Ethical Management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	85-88	11.20.1	
	205-1	Operations Assessed for Risks Related to Corruption	87	11.20.2	
GRI 205: Anti-corruption	205-2	Communication and Training about Anti-Corruption Policies and Procedures	86	11.20.3	
	205-3	Confirmed Incidents of Corruption and Actions Taken	88	11.20.4	
Topic 6: Energy Transition					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	31	11.1.1	
	302-1	Energy Consumption within the Organization	97	11.1.2	
	302-2	Energy Consumption Outside of the Organization	-	11.1.3	Not applicable
GRI 302: Energy	302-3	Energy intensity	97	11.1.4	
	302-4	Reduction of Energy Consumption	-	-	Not applicable
	302-5	Reductions in Energy Requirements of Products and Services	-	-	Not applicable

GRI Standards

Material Topic & Topic Standards

Category		Indicator	Page	GRI11	Remarks
Topic 7: Air Pollution					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	36	11.3.1	
GRI 305: Emissions	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	98	11.3.2	
Topic 8: Soil Pollution and Waste					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	36	11.5.1	
GRI 306: Waste	306-1	Waste Generation and Significant Waste-related Impacts	36	11.5.2	
	306-2	Management of Significant Waste-related Impacts	36	11.5.3	
	306-3	Waste Generated	98	11.5.4/11.8.2	
	306-4	Waste Diverted from Disposal	98	11.5.5	
	306-5	Waste Directed to Disposal	98	11.5.6	
Additional sector disclosures		Soil Pollution Management	37	11.16.2	
Topic 9: Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	64	11.10.1	
GRI 414: Supply Chain Management	414-1	New Suppliers that were Screened Using Social Criteria	66, 102	11.10.8/11.12.3	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	66	11.10.9	
Topic 10: Corporate Governance					
Non-GRI	-	-	-	-	No Relevant GRI Topic Standards

Topics in the applicable GRI Standards determined as not material

Indicator	Remarks
Topic 11.4 Biodiversity	
Topic 11.6 Water and Effluents	
Topic 11.7 Closure and Recovery	
Topic 11.10 Employment Practices	
Topic 11.11 Diversity and Equal Opportunity	Not selected as a material topic, but related topic standards are reported in the Other GRI Index
Topic 11.14 Economic Impact	
Topic 11.15 Biodiversity	
Topic 11.17 Rights of Indigenous Peoples	
Topic 11.19 Anti-competitive Behavior	
Topic 11.8 Asset Integrity and Critical Incidents	Not applicable
Topic 11.12 Forced Labor and Modern Slavery	
Topic 11.13 Freedom of Association and Collective Bargaining	
Topic 11.18 Conflict and Security	

GRI Standards

Other GRI Index

Category		Indicator	Page	GRI 11	Remarks
GRI 201: Economic Performance	201-1	Direct Economic Value Generated and Distributed	19	11.14.2	
	202-2	Proportion of Senior Management Hired from the Local Community	-	11.14.3	Not applicable
GRI 203: Indirect Economic Impacts	203-1	Infrastructure Investments and Services Supported	73	11.14.4	
	203-2	Significant Indirect Economic Impacts	19	11.14.5	
GRI 204: Procurement Practices	204-1	Proportion of Spending on Local Suppliers	102	11.14.6	
GRI 206: Anti-competitive Behavior	206-1	Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	89	11.19.2	
GRI 303: Water and Effluents	303-1	Interactions with Water as a Shared Resource	36	11.6.2	
	303-2	Management of Water Discharge-related Impacts	37	11.6.3	
	303-3	Water Withdrawal	97	11.6.4	
	303-4	Water Discharge	-	11.6.5	Not applicable
	303-5	Water Consumption	97	11.6.6	
GRI 304: Biodiversity	304-1	Operational Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	37	11.4.2	
	304-2	Significant Impacts of Activities, Products and Services on Biodiversity	37	11.4.3	
	304-3	Habitats Protected or Restored	38-39	11.4.4	
	304-4	IUCN Red List Species and National Conservation List Species with Habitats in Areas Affected by Operations	-	11.4.5	Not applicable
GRI 308: Supplier Environmental Assessment	308-1	New Suppliers That Were Screened Using Environmental Criteria	66, 102	-	
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	66	-	

Category		Indicator	Page	GRI 11	Remarks
GRI 401: Employment	401-1	New Employee Hires and Employee Turnover	100	11.10.2	
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	57	11.10.3	
	401-3	Parental Leave	101	11.10.4/11.11.3	
GRI 402: Labor/ Management Relations	402-1	Minimum Notice Periods Regarding Operational Changes	-	11.7.2/11.10.5	Not applicable
	404-1	Average Hours of Training per Year per Employee	101	11.10.6/11.11.4	
GRI 404: Training and Education	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	56	11.7.3/11.10.7	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	101	-	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of Governance Bodies and Employees	81, 100	11.11.5	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	101	11.11.6	
GRI 406: Non-discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	63	11.11.7	
GRI 410: Security Practices	410-1	Security Personnel Trained in Human Rights Policies or Procedures	61	-	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of Violations Involving Rights of Indigenous Peoples	75	11.17.2	
GRI 413: Local Communities	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	71-78	11.15.2	
	413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	75	11.15.3	
GRI 418: Customer Privacy	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	104	-	

SASB

SASB Industry: Oil & Gas - Refining & Marketing

Items	Code	Sub-metric	Unit	2021	2022	2023	Remarks
Greenhouse Gas Emissions	EM-RM-110a.1	Scope 1 Emissions	tCO ₂ eq	24,481	23,817	23,450	
		Percentage Covered under Emissions Limiting Regulations	%	66	70	79	Only applicable to Ulsan site; target allocation since 2020
	EM-RM-110a.2	Discussion of Long- and Short-term Strategies or Plans to Manage Scope 1 Emissions, Emission Reduction Targets, and an Analysis of Performance Against Those Targets	SK Gas measures and manages GHG emissions across all domestic sites, verifying data accuracy and completeness annually through third-party verification by the Korean Foundation for Quality. According to the third-party verification results, in 2023, total GHG emissions were 30,794 tCO ₂ eq, with Scope 1 emissions at 23,450 tCO ₂ eq and Scope 2 emissions at 7,344 tCO ₂ eq, meeting our internal GHG reduction targets. Long-term goals include achieving Net Zero by 2030 through phased reduction scenarios, implementing solar power installations, procuring RE100 solutions, and installing seawater heat exchangers and electric heaters. In 2023, solar power installations reduced emissions by approximately 150 tons, and purchasing Renewable Energy Certificates (RECs) contributed to a reduction of around 4,000 tons. The ongoing installation of a seawater heat exchanger is expected to further reduce emissions by about 9,500 tons annually from late 2024. Through successful project implementation of detailed tasks for greenhouse gas reduction, SK Gas aims to achieve the 2030 Net Zero greenhouse gas target.				
Air Quality	EM-RM-120a.1	NOx Emissions (Excluding N ₂ O)	Metric tons(t)	17.28	17.43	17.82	
		SOx Emissions	Metric tons(t)	0.07	0.06	0.06	
		Particulate Matter (PM10) Emissions	Metric tons(t)	0.53	0.50	0.54	
		H ₂ S Emissions	Metric tons(t)	0	0	0	
		Volatile Organic Compounds (VOCs) Emissions	Metric tons(t)	0	0	0	
	EM-RM-120a.2	Number of Refineries in or Near Areas of Dense Population	Plants	2	2	2	Number of oil refineries in Ulsan site
Water Management	EM-RM-140a.1	Total Water Withdrawan	m ³	31,097	29,178	33,843	
		Water Recycling Rate	%	7.11	8.51	9.43	
		Percentage of Each in Regions with High or Extremely High Baseline Water Stress	%	N/A	N/A	N/A	Daily usage is minimal; not classified under water conservation law
	EM-RM-140a.2	Number of Incidents of Non-compliance Associated with Water Quality Permits, Standards, and Regulations	cases	0	0	0	
Hazardous Materials Management	EM-RM-150a.1	Amount of Hazardous Waste Generated	Metric tons(t)	648.9	534.3	369.6	
		Hazardous Waste Recycling Rate	%	97.0	98.6	98.9	
	EM-RM-150a.2	Number of Underground Storage Tanks (USTs)	Number	N/A	N/A	N/A	No USTs under hazardous materials management law
		Number of UST Releases Requiring Clean up	cases	N/A	N/A	N/A	Not applicable
		Incident Rate for UST-related Accidents in Regions with UST Reinsurance Funds	%	N/A	N/A	N/A	Not applicable

SASB

Items	Code	Sub-metric	Unit	2021	2022	2023	Remarks
Workforce Health and Safety	EM-RM-320.a.1	Total Recordable Incident Rate (TRIR) for Full-time Employees	%	0	0.18	0	per 200,000 hours worked
		Total Recordable Incident Rate (TRIR) for Contract Employees	%	0	0	0	
		Fatality Rate for Full-time Employees	%	0	0	0	
		Fatality Rate for Contract Employees	%	0	0	0	
		Near Miss Frequency Rate (NMFR) for Full-time Employees	%	8	14	14	
		Near Miss Frequency Rate (NMFR) for Contract Employees	%	0	0	0	
	EM-RM-320.a.2	Discussion of Management Systems Used to Integrate a Culture of Safety Including Coordination with Business Partners to Protect Employee Health and safety	Health and safety at our industrial sites are our top priorities, directly linked to the happiness of our employees and stakeholders, as well as the sustainability of our business. SK Gas continuously identifies and mitigates hazardous risk factors to create a safer and more pleasant working environment. To strengthen SHE (Safety, Health, and Environment) governance, we have established a dedicated SHE Promotion Team directly under the Chief SHE Officer. Recognizing the protection of life and health of all workers as a fundamental managerial duty, we have developed a comprehensive SHE master plan encompassing all our operational sites and value chain partners to prevent accidents. We regularly evaluate the safety culture and health and safety management levels to measure the implementation of our health and safety management system, identifying areas for improvement. Management actively invests in necessary resources such as personnel, facilities, and equipment to ensure these improvements. In August 2023, SK Gas obtained ISO 45001 certification, demonstrating that our health and safety management system complies with international standards.				
Product Specifications and Clean Fuel Blending	EM-RM-410a.1	Renewable Volume Obligations (RVO) Achievement Rate	%	N/A	N/A	N/A	Not applicable
		1) Production of Renewable Fuels	%	N/A	N/A	N/A	Not applicable
	EM-RM-410a.2	Next-generation Biofuels and Related Infrastructure Market	KRW	N/A	N/A	N/A	Not applicable
		1) Total Market	%	N/A	N/A	N/A	Not applicable
Pricing Integrity and Transparency	EM-RM-520a.1	2) Realizable Market Share	KRW	0	0	0	
Management of the Legal and Regulatory Environment	EM-RM-530a.1	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Price Fixing or Price Manipulation	KRW	0	0	0	
		Discussion of Corporate Positions Related to Government Regulations or Policy Proposals that Address Environmental and Social Factors Affecting the Industry	SK Gas monitors monthly changes in environmental laws and regulations to respond to rapidly changing environmental policies and issues, and to minimize corporate environmental management risks in accordance with increasingly stringent laws and regulations. We support enhancing the practical skills of our on-site environmental managers through regular training and coaching in environmental practices. We have established an Environmental Management System (ISO 14001) to not only respond to government regulations but also to identify, assess, manage, and improve comprehensive risks from environmental aspects. This includes promoting activities for energy savings, greenhouse gas emissions reductions, and pollutant emissions reductions.				
	EM-RM-540a.1	Process Safety Event (PSE) Rates for Loss of Primary Containment (LOPC) of	%	0	0	0	
		1) Greater Consequence(Tier 1)	%	0	0	0	
	Critical Incident Risk Management	EM-RM-540a.2	2) And Lesser Consequence (Tier 2)	%	0	0	0
	EM-RM-540a.3	Challenges to Safety Systems Indicator Rate (Tier 3)	%	0	0	0	
		Discussion of Measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	To measure Safety, Health, and Environment (SHE) management performance, SK Gas selects lagging and leading indicators and reflects them in the annual SHE goals of the entire company and business sites. These indicators are also linked to the employee reward program. Annually, we use the Lost Time Injury Rate (LTIR) and SHE level evaluation results from external organizations as quantitative performance indicators for SHE. These indicators are tied to the KPIs of key executives and business site managers, and SHE performance is reflected in personnel evaluations. Furthermore, leading indicators directly related to accident prevention, such as training participation rates, the number of identified hazards, the number of safety rule violations, and SHE certification acquisitions, are measured as employee SHE activity achievements. Outstanding participants are rewarded monthly and annually with various incentives such as overseas training, motivating employees to actively participate in accident prevention activities.				
Activity Metrics							
EM-RM-000.A		Refining Process Capacity for Crude Oil and Other Feedstocks	Barrels of Oil Equivalent (BOE)	N/A	N/A	N/A	
EM-RM-000.B		Refining Capacity	Million Barrels Per Day (MBPD)	N/A	N/A	N/A	

TCFD

	Category	Status of Response	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	The ESG Committee of the SK Gas Board is responsible for formulating the company's mid- to long-term climate change strategy and providing advisory and review services for ESG management. The committee oversees climate-related response activities within the organization. It regularly and irregularly monitors and reviews climate change response and management plans, discusses future plans, and reports the results to the Board. The committee also makes decisions to manage, evaluate, and mitigate climate change-related risks faced by SK Gas.	28
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	To address major risks, including those related to climate change, SK Gas operates a company-wide C-level council centered around the CEO. This council, serving as the control tower for company-wide risk management, consists of the heads of each business division and the head of management support, with the CEO taking overall responsibility for critical decision-making. Major issues discussed by the council are reported to the Board of Directors and the ESG Committee through the CEO.	28
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Strengthened carbon emission regulations for achieving Net Zero have been identified as risk factors, while increased demand for LPG/LNG due to the expansion of renewable energy adoption in national energy policies has been identified as an opportunity.	29
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Due to the national Net Zero policy, there is a risk of strengthened energy greenhouse gas management regulations, reduced LPG demand, and deteriorated profitability. However, in the short to medium and long term, revenue generation is expected due to increased demand in the LPG/LNG market.	29
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Based on the NZE2050 and STEPS scenarios, SK Gas identified climate change risks and opportunities that could affect its business. It analyzed the financial impact from short, medium, and long-term perspectives.	29

	Category	Status of Response	Page
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	SK Gas identifies significant risks by applying global sustainability standards when undertaking new business investments or operations with high climate-related risks. This involves practical departments like strategy, business promotion, and operations working with the ESG department.	31
	b) Describe the organization's processes for managing climate-related risks.	For high-risk investments and business areas related to climate, SK Gas seeks approval from the CEO and conducts regular internal reviews and consultations with external experts. The business managers then improve management methods and seek sustainable business transitions.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	SK Gas has integrated non-financial risks, such as environmental and social issues, into its continuously operated corporate risk management system to preemptively identify and prevent the occurrence of climate-related risks throughout all management activities.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	To actively participate in global climate change response, SK Gas has established and manages performance indicators such as energy savings and renewable energy usage.	32-33
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	SK Gas measures and discloses its annual greenhouse gas emissions. The GHG emissions for 2023 are as follows: ·Scope 1: 23,450 tCO ₂ eq ·Scope 2: 7,344 tCO ₂ eq ·Scope 3: 11,782,399 tCO ₂ eq	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	For Scope 1 & 2, SK Gas aims to achieve Net Zero by 2030 through facility improvements and PPAs. For Scope 3, we plan to achieve Net Zero by 2050 and is currently reviewing specific methods to accomplish this goal.	





UN SDGs

Key SDGs	Specific Goals	Major Activities
 End Poverty in All Its Forms Everywhere	<p>1.2 Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and achieve substantial coverage of the poor and the vulnerable</p>	<ul style="list-style-type: none">• Support children and youth from low-income families (Hope Maker)• Support children at risk of missing meals in welfare blind spots (Happy Two Meals)
 Ensure Healthy Lives and Promote Well-being for All at All Ages	<p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<ul style="list-style-type: none">• Support prevention activities for occupational diseases and health promotion welfare systems for all employees, including contract workers• Conduct comprehensive evaluations of environmental management levels to identify and improve risk factors affecting air, water, waste/soil issues in business operations
 Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All	<p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable</p>	<ul style="list-style-type: none">• Provide career and aptitude counseling and academic mentoring for the vulnerable
 Achieving Gender Equality and Empower All Women and Girls	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate</p>	<ul style="list-style-type: none">• Employ women at a rate higher than the industry average• Operate family support systems for maternity protection and work-life balance, such as maternity leave, parental leave, and reduced working hours during childcare periods
 Ensure Availability and Sustainable Management of Water and Sanitation for All	<p>6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>	<ul style="list-style-type: none">• Recycle groundwater from LPG storage facilities as firefighting water• Reuse domestic sewage through a gray water system

Key SDGs	Specific Goals	Major Activities
 Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<ul style="list-style-type: none">• Reduce greenhouse gas emissions by 4,000 tCO₂eq through the purchase of Renewable Energy Certificates (REC) in 2023
 Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none">• Stabilize LNG supply and respond to market prices through LNG-LPG Dual Fuel Power Plant• Select talent fairly through systematic personnel and recruitment processes
 Make Cities and Human Settlements Inclusive Safe, Resilient and Sustainable	<p>11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities</p>	<ul style="list-style-type: none">• Create the "SK Happy Forest Garden" in Pyeongtaek as a space for local residents to rest and communicate
 Ensure Sustainable Consumption and Production Patterns	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none">• Achieve a 100% waste recycling rate at the headquarters in 2023 following Ulsan/Pyeongtaek terminal and G.Hub in 2022
 Take Urgent Action to Combat Climate Change and Its Impacts	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p> <p>13.2 Integrate climate change measures into national policies, strategies, and planning</p> <p>13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none">• Select climate change mitigation as a major corporate issue and establish a Net Zero roadmap encompassing the entire value chain

UN SDGs

Key SDGs	Specific Goals	Major Activities
	Conservate and Sustainably Use the Oceans, Seas and Marine Resources for Sustainable Development	<ul style="list-style-type: none">14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
	Protect, Restore and Promote Sustainable Use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, and Halt and Reverse Land Degradation and Halt Biodiversity Loss	<ul style="list-style-type: none">15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements15.4 Ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development
	Promote Peaceful and Inclusive Societies for Sustainable Development, Provide Access to Justice for All and Build Effective, Accountable and Inclusive Institutions at All Levels	<ul style="list-style-type: none">Operate anti-corruption self-regulation systems across all domestic and international business sitesSet internal audit tasks reflecting risk assessment results of the anti-corruption self-regulation systemPresent behavioral guidelines and standards for compliance with fair trade laws through the 2023 Fair Trade Compliance Handbook

Major Awards and Membership

Major Awards

Date	Award Details
Mar. 2024	Awarded Carbon Management Sector Honors by CDP Korea (Energy & Utilities category, for 2 consecutive years) – Received “Leadership A” rating
Nov. 2023	Selected as Excellent Governance Company by the Korea ESG Standards Institute for 2022 KCSG (General Listed Companies category) – Received “A+” overall rating.
Mar. 2023	Recognized as a company supporting endangered wildlife conservation (National Institute of Ecology).
Feb. 2023	Awarded Carbon Management Sector Honors by CDP Korea for 2022 (Energy & Utilities category) – Received “Leadership A-” rating.
May 2022	Selected as one of Korea's Top 100 ESG Leaders by Statista (Germany)

Membership Status

	Category	Unit	2021	2022	2023
Key Sponsorship Organizations (Top 5, Participation Associations and Contributions)	Korea LPG Industry Association	KRW million	43	53	45
	Korea LP Gas Sales Association	KRW million	25	20	25
	H2KOREA (Hydrogen Convergence Alliance)	KRW million	25	25	15
	KBCSD	KRW million	10	17	15
	Korea Gas Union	KRW million	10	10	10



Independent Auditors' Report



Based on a report originally issued in Korean

To the Shareholders and Board of Directors of SK Gas Co., Ltd.

March 11, 2024

Opinion

We have audited the consolidated financial statements of SK Gas Co., Ltd. and its subsidiaries ("the Group"), expressed in Korean won which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the Group's Internal Control over Financial Reporting ("ICFR") for Consolidation Purposes as of December 31, 2023 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 11, 2024, expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting.

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing (KSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We considered the following as key audit matters to be communicated in the audit report.

(1) Cut-off of agencies and overseas LPG sales

Reason why it is determined to be a key audit matter

The Group's agencies and overseas LPG sales recognized during the year ended December 31, 2023, accounted for 74% of total sales. The Group identifies performance obligations in the contract for LPG transactions; allocates the transaction price to each performance obligation; and recognizes revenue when such performance obligation is satisfied. The timing of revenue recognition requires the management's judgment.

We identified the cut-off of agencies and overseas LPG sales as a key matter considering the significance of such sales to the consolidated financial statements and the risk of material misstatement in revenue recognition from management's intent.

How the key audit matter was addressed in our audit

The primary procedures we performed to address the key audit matter are as follows:

- Obtained an understanding of the key process related to LPG sales and tested the relevant internal controls.
- Assessed the revenue recognition accounting policies of LPG sales.
- Inquired of and inspected documents with regards to negative sales of LPG transactions.
- Inspected the supporting documents of selected samples of LPG transactions that occurred before and after the reporting period end to test the timing of revenue recognition.



Independent Auditors' Report

(2) Impairment testing on industrial property right not yet available for use and goodwill in Ulsan GPS Co., Ltd.

Reason why it is determined to be a key audit matter

As discussed in Note 2.3.14 to the consolidated financial statements, the Group performs impairment tests on industrial property rights not yet available for use and goodwill as part of cash-generating units (CGU) on December 31 every year and when there is an indication of impairment.

The Group performs an annual impairment testing and assesses the recoverable amounts of the industrial property rights not yet available for use of W74,213 million and goodwill of W5,085 million which were allocated to Ulsan GPS Co., Ltd., the surviving entity from the spin-off from Dangjin Eco Power Co., Ltd. after the Group acquired equity interests in Dangjin Eco Power Co., Ltd. in 2014 from which industrial property rights not yet available for use and goodwill has incurred.

To evaluate industrial property rights and goodwill, the Group identifies CGUs which includes the industrial property rights and goodwill and estimates the recoverable amount of those CGUs. Recoverable amounts are determined based on value-in-use, and discounted future cash flows from the continuous use of the assets are used to assess the value-in-use. Key assumptions, such as future sales volume, selling price, fuel costs, and discount rates, have a material impact on the estimation of value-in-use, and involves significant management judgement. The carrying amounts of the related assets are material to the consolidated financial statements. Also, estimating discounted cash flows is complex, and as significant judgment is involved in determining various inputs, there are uncertainties and risk of possible management bias. Therefore, we identified the impairment testing on industrial property rights not yet available for use and goodwill in Ulsan GPS Co., Ltd., as a key audit matter.

How the key audit matter was addressed in our audit

The primary procedures we performed to address the key audit matter are as follows:

- Independently assessed the identification of CGUs of the Group.
- Assessed whether management bias is involved in key inputs such as future forecast sales volume, selling price, and purchase cost of fuel used to estimate value-in-use by referring to the Group's business plan and external data.

- Involved our internal valuation specialists to independently recalculate the discount rate based on market data and the inherent information of the Group and assess whether there is a significant difference compared with the discount rate applied by management.
- Obtained management's sensitivity analysis on the discount rates applied to the discounted cash flows forecasts and assessed whether there is any indication of management's bias and the effect of changes in key assumptions on management's conclusion.

Other Matters

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2023 and 2022 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in note 1 to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Cho, Seung Hee.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 11, 2024

This report is effective as of March 11, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

GHG Emissions Verification Opinion Statement | (Scope 1, 2)

SK Gas Co., Ltd.

332, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea



국립환경과학원

(Unit: tCO₂eq)

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG Inventory') of SK Gas co., Ltd. (hereinafter 'Company') for 2023.

Verification Scope

KFQ's verification scope covered on all facilities and emission sources under the operational control and organizational boundary of the company during 2023.

Verification Criteria

The verification process was based on 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme1),' 'Rules for verification of operating the greenhouse gas emission trading scheme2)' and 'ISO 14064-3' for every applicable part.

1) Notification No. 2023-221 of Ministry of Environment 2) Notification No. 2021-112 of Ministry of Environment

Level of Assurance

The verification has been planned and conducted as the 'Rules for verification of operating the greenhouse gas emission trading scheme,' and the level of assurance for verification shall be satisfied as limited level of assurance. And it was confirmed through an internal review whether the process before the verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) The Inventory Report has been started in accordance with 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme' and 'ISO 14064-1.'
- 2) The data and information used in calculating the Greenhouse Gas Emission were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found.
- 3) Thus, KFQ concludes that the Greenhouse Gas Emissions of Company in 2023 is correctly calculated and stated in accordance with 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme.'

Corporate	Business	Scope1 (tCO ₂ eq)	Scope2 (tCO ₂ eq)	Total Emissions (Scope 1+2 tCO ₂ eq)	Total Emissions (Including offset, tCO ₂ eq)	REC purchase (MWh)	Carbon offset from REC purchase ¹⁾²⁾ (tCO ₂ eq)
SK Gas	Headquarters	272	2,142	2,414	1,661	1,640	753
	Ulsan Terminals	16,535	4,518	21,052	19,463	3,458	1,589
	Pyeongtaek Terminals	6,622	2,783	9,404	8,425	2,130	979
	G.Hub	22	1,886	1,908	1,245	1,444	663
Total		23,451	11,329	34,778	30,794	8,671	3,984

* There is a difference between the total emissions and the sum of emissions by business site
(truncated emissions by business site are added together by company).

1) REC purchase offset refers to the amount of reduction activities that electricity consumers directly purchase renewable energy supply
certificates (RECs) and use as a means of implementing K RE100

2) When calculating the REC purchase offset (tCO₂eq), the power emission coefficient of 0.45941tCO₂eq/MWh is applied
(* REC : Renewable Energy Certificates)

Ji Young Song

April 1st 2024

CEO Ji-Young, Song

Korean Foundation for Quality

GHG Emissions Verification Opinion Statement | (Scope 3)

SK GAS CO., LTD.

332, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea



1. Verification Goal

The goals of greenhouse gas (GHG) emission verification (hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

2. Verification Scope

Korean Standards Association conducted limited guarantee level verification for SK Gas Co., Ltd.'s Scope3 Greenhouse Gas declaration.

- Reporting Target : SK Gas Headquarters, Ulsan terminals, Pyeongtaek terminals, G.Hub, etc.
- Boundary : Scope3(Other indirect emissions)
 - Category 1. Purchased goods and services
 - Category 10. Processing of sold products
 - Category 11. Use of sold products
- Year : January 1, 2023 to December 31, 2023

3. Verification Criteria and Guidelines

Korean Standards Association conducted verification according to international standards and the standards and guidelines of the National Institute of Environmental Research.

- KS I ISO 14064-1:2018, KS I ISO 14064-3:2019
- Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment)
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- WRI(World Resources Institute) Greenhouse Gas Protocol
- WRI Corporate Value Chain(Scope3) Accounting and Reporting Standard

4. Level of assurance verification and Responsibility

Korean Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to SK Gas Headquarters
- Method of confirmation :
 - Interview with greenhouse gas emissions manager and field staff
 - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
 - Tracking review of internal documents and basic data

SK Gas Co., Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

5. Verification Limit

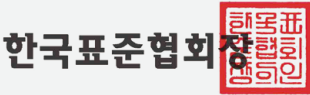
GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

6. Verification Conclusion

No errors or false facts were found in SK Gas Co., Ltd.'s GHG emissions verified through the ISO 14064-3 verification procedure within the scope of verification.

Appendix. Scope3 GHG Emissions		(Unit: tCO ₂ e)
Category		GHG emissions
Category 1	Purchased goods and services	3,228,201
Category 10	Processing of sold products	2,056,066
Category 11	Use of sold products	6,366,189
Total		11,650,456

June 12, 2024





Independent Assurance Statement

To readers of 2023 SK Gas Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by SK Gas to conduct an independent assurance of its Sustainability Report 2023 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of SK Gas. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with SK Gas and issue an assurance statement.

Scope and Standards

SK Gas described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
 - GRI 205: Anti-corruption
 - GRI 302: Energy
 - GRI 305: Emissions
 - GRI 306: Waste
 - GRI 403: Occupational Health and Safety
 - GRI 414: Supplier Social Assessment
 - GRI 416: Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of SK Gas’ partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by SK Gas to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with SK Gas on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.



Independent Assurance Statement

Inclusivity

SK Gas has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

SK Gas has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

SK Gas prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of SK Gas' actions.

Impact

SK Gas identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with SK Gas and did not provide any services to SK Gas that could compromise the independence of our work.

June 2024 Seoul, Korea



SRV1000
Sustainability Committee Assurance



AA1000
Licensed Report
000-129/V3-XOJ6U

E. J. Hwang

